FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-94-021
Tuesday
1 February 1994

Daily Report
East Asia

FBIS-EAS-94-021 CONTENTS *1 February 1994*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

- Kantor Arrives in Tokyo To Discuss Trade Talks *[KYODO]* 1
- Hosokawa Told of U.S. 'Very Tough Stance' *[KYODO]* 1
- Hata: Tokyo Not To Accept Numerical Targets *[KYODO]* 1
- Group To Deal With Port Calls by Russians *[KYODO]* 1
- Nuclear Waste Storage Tanker Plan 'Dropped' *[KYODO]* 2
- Takemura Denies Paper's Report on Nuclear Arms *[KYODO]* 2
- Hosokawa Urges Ukraine To Become Nuclear-Free *[KYODO]* 2
- 'Senior' Official Views Plans for G-7 Talks *[KYODO]* 3
- Hosokawa Heads Office for Trade Complaints *[KYODO]* 3
- Joint Pharmaceutical Company Planned in PRC *[KYODO]* 3
- PRC Places 'Massive' Orders for Steel Pipes *[KYODO]* 3
- Firm To Open First Menswear Shop in Shanghai *[KYODO]* 4
- Hijacker Publicizes Appeal for Daughters' Return *[KYODO]* 4
- Foreign Ministry Announces Loan, Aid to SRV *[KYODO]* 4
- Toyota, Volkswagen Agree To Continue Production *[KYODO]* 5
- Nagoya Court Rejects Refugee Bid by Pakistanis *[KYODO]* 5
- Government To Reschedule Jamaica Debt *[KYODO]* 5
- Aid Extended for Somalia's Police, Judiciary *[KYODO]* 5
- Tokyo Extends Aid To Help African Refugees *[KYODO]* 6
- Takemura Discusses Approval of Reform Package *[Tokyo TV]* 6
- Details of Political Reform Package Reported *[KYODO]* 7
- Two From USDP To Join Sakigake-JNP Group *[KYODO]* 7
  - Resulting Seat Distribution Noted *[KYODO]* 7
- Diet Member Sues Daily Over Bribe Allegation *[KYODO]* 8
- Ex-Miyagi Governor Honma Denies Bribery Charge *[KYODO]* 9
- Ex-Ibaraki Governor Pleads Innocent in Trial *[KYODO]* 9
- Hosokawa To Revise 'Lifestyle Superpower' Plan *[KYODO]* 9
- Ministry Announces Subsidies for 12 Industries *[KYODO]* 10
- Wholesale, Retail Sales Drop 2d Straight Year *[KYODO]* 10
- Top 50 Construction Firms' Orders Said Down *[KYODO]* 10
- More Commentary on Stimulus Package Issue 11
  - Comsumption Tax Issue Discussed *[KYODO]* 11
  - Saito on Tax Cut, Hike Stance *[KYODO]* 11
  - Kumagai Favors Tax Cut With Hike *[KYODO]* 11
  - EPA Chief Kubato on Cuts, Hikes *[KYODO]* 12
  - Cabinet on Tax Cut Link to Hike *[KYODO]* 12
  - Ministers Differ on Income Tax Cut *[KYODO]* 13
  - Parties Postpone Tax Decision *[KYODO]* 13
  - LDP Special Panel Adopts Program *[KYODO]* 14
  - Government Eyes 1-Year Deadline *[KYODO]* 14
- International Telecommunication Regulations Eased *[KYODO]* 14
- Government Aims To Cut or Ease Business Rules *[KYODO]* 14
- Supplementary Budget 'To Aid Domestic Farmers' *[KYODO]* 15
- Panel on 'New Vision' for Agricultural Sector *[KYODO]* 15
- Retail Rice Prices Rise 0.6-1.6 Percent in Dec *[KYODO]* 15
- Imported Rice Quality Said Underestimated *[KYODO]* 15
- Final Preparations for H-2 Rocket Launching *[Tokyo TV]* 16
  - Launch of Rocket Rescheduled *[KYODO]* 16

North Korea

Ministry Issues Statement on Nuclear Talks *[Pyongyang Radio]* 16
    KCNA Carries 31 Jan Statement 18
Foreign Ministry Spokesman on Radio Free Asia *[Pyongyang Radio]* 19
    KCNA on Ministry Statement 20
Further on Visit by U.S. Religious Delegation 20
    Graham, Delegation Visit Mangyongdae *[KCNA]* 20
    Graham, Delegation Depart 1 Feb *[KCNA]* 20
Return of Soldiers 'Abducted' by South Reported *[Pyongyang Radio]* 21
200 Cases of 'Air Espionage' Against North *[KCNA]* 21
Radio Denounces 'War Exercises' in South *[Pyongyang Radio]* 21
Daily Calls Kim Yong-sam 'Political Hooligan' *[KCNA]* 21
Premier Kang Sends Message to Indian Counterpart *[Pyongyang Radio]* 22
Foreign Minister Greets Libyan Official *[KCNA]* 22
Foreign Minister Greets Norwegian Counterpart *[KCNA]* 22
Bhutto Receives DPRK Envoy; Comments on Succession *[KCNA]* 22
Kazakhstan Leaders Hold Lecture on Kim Chong-il *[KCNA]* 23
Foreign Party Leaders Greet Kim Il-song *[KCNA]* 23
Kim Il-song's New Year Address Reported Abroad *[KCNA]* 23
WPK Greets Italy's Communist Reformative Party *[KCNA]* 24
WPK Greets Head of Liberal Party of Honduras *[KCNA]* 24
Anniversary of Equatorial Guinea Ties Marked *[KCNA]* 24
Papers Observe Anniversary of Ties With Gabon *[KCNA]* 24
Kim Chong-il To Remain 'Crown Prince' *[KYODO]* 24
Kim Chong-il Sends Birthday Table to Composer *[KCNA]* 25
Radio Urges Industrialization of Agriculture *[Pyongyang Radio]* 25
Radio Stresses Economic Organizational Work *[Pyongyang Radio]* 26
Output of Export Goods Reportedly Increasing *[KCNA]* 27
* Russian Paper on Kim Il-song's Background *[NEZAVISIMAYA GAZETA 29 Sep]* 28

South Korea

Government Responds to DPRK Official Statement *[Seoul Radio]* 35
IAEA Spokesman: DPRK May Suspend Nuclear Talks *[Seoul Radio]* 35
DPRK, IAEA Need To Reach Agreement by 21 Feb *[YONHAP]* 35
Official: Seoul, U.S. Agree To Deploy Patriots *[THE KOREA HERALD 29 Jan]* 35
    U.S. May Demand Burden-Sharing *[SEOUL SINMUN 1 Feb]* 36
    Disagreement on Timing of Deployment *[YONHAP]* 36
Rumors of Aircraft Carriers Deployment Denied *[Seoul Radio]* 36
Assistant Minister on U.S. Financial Talks *[THE KOREA TIMES 29 Jan]* 36
U.S. Complaints Over Market Opening Examined *[THE KOREA TIMES 30 Jan]* 37
U.S. Decides To 'Shelve' Aides' Residency Request *[YONHAP]* 38
    U.S. Reportedly Considers Deportation *[PUSAN ILBO 28 Jan]* 38
Ex-President Attempts Contact With Former Aide *[YONHAP]* 39
U.S. Ambassador Quoted on Human Rights in North *[YONHAP]* 39
Rent for U.S. Embassy To Be Collected Retroactively *[YONHAP]* 39
Billy Graham Said Carrying Message From Clinton *[THE KOREA TIMES 29 Jan]* 40
    Graham's Visit to DPRK Examined *[KYONGHYANG SINMUN 31 Jan]* 40
Chondogyo Proposes Meeting Pending Nuclear Solution *[YONHAP]* 40
N-S Economic Ties Depend on Nuclear Issue *[THE KOREA HERALD 1 Feb]* 40
Daily Interviews Rescued North Korean Soldiers *[SEOUL SINMUN 30 Jan]* 41
    Soldiers Returned Through Panmunjom *[Seoul Radio]* 41
Article Analyzes DPRK Military Movements *[HANGYORE SINMUN 1 Feb]* 41
Envoy to China Says DPRK-PRC Ties 'Recovered' *[YONHAP]* 42
DPRK Reportedly Studying Economic Zones in PRC *[CHOSON ILBO 31 Jan]* 43
DPRK Party Delegations To Tour Abroad in 1994 *[YONHAP]* 43
Country To 'Fully Liberalize' Travel to China *[YONHAP]* 44
Seoul, Beijing To Sign Cultural Agreement in Mar *[YONHAP]* 44
Seoul, Beijing Agree on Air Traffic Rights *[YONHAP]* 44
Seoul, PRC Agree To Restore Historical Building *[YONHAP]* 44

President Congratulates Hosokawa on Reform Victory *[YONHAP]* 45
Ambassador to Japan Interviewed on Relations *[HANGUK ILBO 1 Feb]* 45
Former Philippines President Meets Kim Yong-sam *[YONHAP]* 46
Government, European Union Vow To Forge Ties *[YONHAP]* 46
Agriculture Accord Reached With New South Wales *[THE KOREA HERALD 29 Jan]* 46
Export Contracts Signed on Agricultural Products *[YONHAP]* 46
Missions Designated Internationalization Hubs *[YONHAP]* 47
Presidential Family's Assets Increase $2.5 Million *[YONHAP]* 47
Ministry To Reduce Number of Senior Officials *[YONHAP]* 47
Farmers, Students Stage Demonstration in Seoul *[YONHAP]* 47
Army Training Exercises in Seoul Planned *[YONHAP]* 48
Global Crimes Information Center Established *[THE KOREA HERALD 29 Jan]* 48
Economic Planning Board Announces Restructuring *[THE KOREA TIMES 1 Feb]* 48
Firms Expect Upturn With Semiconductor, Car Sales *[YONHAP]* 49
Advisory Council To Prepare for Reunification *[YONHAP]* 49
Opposition Leader Reveals Nuclear Position *[THE KOREA HERALD 1 Feb]* 50
Retired Opposition Leader Departs for Europe *[YONHAP]* 50
Former Senior Presidential Secretary Released *[THE KOREA HERALD 29 Jan]* 50
Measures To Deter Stock Exchange 'Overheating' *[YONHAP]* 50
Hyundai Takes Over U.S. Computer Parts Maker *[THE KOREA HERALD 30 Jan]* 51
Consumer Prices Rise 1.3 Percent in January *[YONHAP]* 51

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Mahathir on PBS Using 'Sentiments' To Keep Power *[Kuala Lumpur International]* 52
Statistics Department Reports Trade Surplus *[NEW STRAITS TIMES 29 Jan]* 52

Cambodia

Hun Sen Comments to Aid Officials on Crime *[AFP]* 52
Ranariddh Asks for Canadian Assistance *[Phnom Penh Radio]* 53
NADK Spokesman Statement on Anlung Veng *[Radio VGNUFC]* 53
NADK on 'Total Defeat' of Anlung Veng Attack *[Radio VGNUFC]* 54

Laos

Thai Delegation Arrives on Official Visit *[Vientiane Radio]* 54
Paper Welcomes Thai Delegation's Visit *[Vientiane Radio]* 55
Group of 803 Refugees Returns From PRC *[Vientiane Radio]* 55

Philippines

ABB Claims Bombing of Oil Company Offices *[Quezon City TV]* 56
ARMM Officials To Maintain Positions Until 1996 *[Quezon City TV]* 56

Thailand

Official Criticizes U.S. Call on Insurance *[SIAM RAT 1 Feb]* 56
Dispute With Laos Over New Embassy Detailed *[BANGKOK POST 1 Feb]* 57
Prasong Visit to Chile, Argentina Reported *[Bangkok Radio]* 57
Water Management Agreement With Australia *[BANGKOK POST 1 Feb]* 58

Vietnam

Officials Assess U.S. Embargo Impact, Trade *[THE NATION 1 Feb]* 58
Agreement Signed With Japan on Loan Amount *[VNA]* 59
Vo Van Kiet Receives Algerian Ambassador *[VNA]* 59
Austrian Foreign Affairs Official Ends Visit *[VNA]* 59
Phan Van Khai Receives UNDP Director General *[VNA]* 59
Training Pact With Czech Republic, Slovakia *[VNA]* 60

Japan

Kantor Arrives in Tokyo To Discuss Trade Talks

OW0102091994 Tokyo KYODO in English 0856 GMT 1 Feb 94

[Text]
Tokyo, Feb. 1 KYODO—U.S. Trade representative Mickey Kantor arrived in Tokyo on Tuesday [1 February] in a bid to break the deadlock in bilateral trade talks prior to the February 11 Washington summit between Prime Minister Morihiro Hosokawa and President Bill Clinton. Kantor, traveling with W. Bowman Cutter, deputy presidential assistant for economic policy, is scheduled to meet with Hosokawa, Foreign Minister Tsutomu Hata and other key cabinet ministers on Wednesday and Thursday.

Bilateral negotiations on automobile trade, government procurement and other issues have been deadlocked over U.S. demands for rules to measure progress in foreign access to Japan's markets. The two countries are scheduled to hold subcabinet-level negotiations on key pending issues in Tokyo on Friday and Saturday.

U.S. officials have said Washington hopes that a breakthrough in the framework trade talks will lead to increased U.S. exports to Japan and a significant reduction in Japan's vast trade surplus, which last year topped 120 billion dollars worldwide.

Hosokawa Told of U.S. 'Very Tough Stance'

OW0102124594 Tokyo KYODO in English 1224 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Japanese Ambassador to the United States Takakazu Kuriyama told Prime Minister Morihiro Hosokawa on Tuesday [1 February] the United States has taken a "very tough stance" in its "framework" economic talks with Japan, government officials said.

Kuriyama, who is back in Japan temporarily, made the remark in discussions with Hosokawa in advance of the prime minister's summit talks with U.S. President Bill Clinton on February 11 in Washington.

Economic issues such as easier U.S. access to Japanese Government procurement orders as well as to the auto and insurance markets are expected to be high on the summit agenda.

Kuriyama, however, was quoted as saying Washington has a good impression of the cabinet of Hosokawa.

Hosokawa staked his political fate on a controversial package of political reform bills which cleared the Diet on Saturday. The four bills introduce major changes in the electoral system for the House of Representatives and tighten controls over political donations to politicians.

In a related development, U.S. Trade Representative Mickey Kantor arrived in Tokyo on Tuesday in an attempt to break the deadlock in the bilateral talks prior to the summit talks.

Hosokawa will leave for the United States on Thursday night and return home Sunday after his meeting with Clinton.

Hata: Tokyo Not To Accept Numerical Targets

OW0102024194 Tokyo KYODO in English 0221 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Japan will never accept a U.S. demand to set numerical targets to measure the progress of foreign access to Japanese markets, Foreign Minister Tsutomu Hata said Tuesday [1 February]. Hata told a news conference "such criteria run counter to Japanese Government efforts to promote deregulation."

Trade negotiators from Japan and the United States who met in Washington last week made little progress on the critical issue of how to measure the progress of foreign access to Japanese markets.

Speaking at a news conference after the day's cabinet session, the foreign minister suggested that U.S. and Japanese automakers hold negotiations to break the impasse in bilateral auto trade talks over the share of U.S. cars in the Japanese market. Hata said talks among those directly involved would be more effective than government-level meetings in solving problems and suggested that the private sectors of both sides hold discussions.

Noting that Japanese automakers in the United States have tie-ups with local repair shops, Hata said that through such private-level talks, the U.S. firms wanting to sell cars in Japan might be able to seek alliances with Japanese makers. He cited as an example foreign beer companies selling their products through Japanese brewers.

The Japanese auto market, which Washington maintains is biased against imports, is the main focus of current U.S. efforts to cut down its trade deficit with Japan by increasing the sales of U.S. goods and services in key Japanese market sectors.

Japanese and U.S. negotiators on auto trade are deeply divided on how to quantify "tangible progress" in foreign access to the Japanese market, which the U.S. views as the core of the framework trade talks.

Group To Deal With Port Calls by Russians

OW0102032494 Tokyo KYODO in English 0301 GMT 1 Feb 94

[Text] Asahikawa, Hokkaido, Feb. 1 KYODO—Fishing cooperatives and marine product companies in northern Hokkaido formed a new group Tuesday [1 February] to thrash out safety measures in light of an increasing number of visits by Russian ships.

The 27 cooperatives and companies set up a coordinating office for the new group in the maritime safety agency's office in Wakkanai on the northern tip of Hokkaido.

The consultative body will consider safety measures with regard to all foreign ships visiting Wakkanai port, but focusing on Russian ships. Many of them lack shipowners' liability insurance to pay for damages and rescue costs.

The group will also distribute Russian language pamphlets, noting sites near the port where water is shallow and containing information as to where repair work can be carried out.

It will also coordinate the quick provision of rescue equipment when called for.

Visits by Russian ships have rapidly increased in parallel with growing contacts between Japanese in Hokkaido, the northernmost of Japan's four main islands, and Russians on Sakhalin island, which is directly north.

Last year, 1,323 foreign ships made port calls at Wakkanai, surpassing for the first time the number of such ships visiting Otaru, a major Hokkaido port. Some 97 percent of the foreign ships visiting Wakkanai were Russian.

Nuclear Waste Storage Tanker Plan 'Dropped'

OW0102093194 Tokyo KYODO in English 0859 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Japan and Russia have abandoned the use of a chemical tanker for the storage of liquid radioactive waste that might otherwise be dumped by the Russian Navy into the sea, government officials said Tuesday [1 February]. The officials said the idea was dropped after it was discovered that the used chemical tanker under consideration might not be able to withstand the severe cold of the Russian Far East.

They said the two sides have subsequently begun considering the idea of Japan providing financial assistance for emergency disposal facilities.

Russia asked Japan in talks last December to help find a chemical tanker with a storage capacity of between 5,000 tons and 25,000 tons. Japan had introduced a 10,000-ton class Panamanian-registered tanker docked in Singapore.

But Russian inspectors determined that the tanker might not be able to withstand severe cold weather conditions and that its deck may not be thick enough to prevent adverse effects on the environment and on the health of the crew.

A 100 million dollar fund pledged by Tokyo to Moscow to help it scrap its obsolete nuclear weapons is expected to be utilized toward the alternative facilities.

Russia last dumped 900 tons of low-level radioactive waste into the Sea of Japan on October 17. It suspended a planned second dumping following international protests, particularly from Japan and South Korea.

Takemura Denies Paper's Report on Nuclear Arms

OW0102092994 Tokyo KYODO in English 0854 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—The Japanese Government Tuesday [1 February] brushed aside a reported move toward the possession of nuclear weapons and renewed a commitment to its long-held nonnuclear policy.

"Our country has been maintaining three nonnuclear principles and our use of nuclear energy is limited to peaceful purposes," Chief Cabinet Secretary Masayoshi Takemura told a news conference. "It is impossible for us to develop nuclear weapons," the top government spokesman said.

Japan has long adhered to a policy of not possessing or producing nuclear weapons or allowing them into Japan.

Takemura's comment was intended to refute reports by a British newspaper that Tokyo might alter its nonnuclear policy and opt to possess nuclear weapons. The SUNDAY TIMES reported Sunday that Britain's Defense Ministry has warned Prime Minister John Major that North Korea's suspected nuclear weapons development program may compel Japan to give up its nonnuclear policy.

Takemura said the British Government has acknowledged it has no reason to doubt Japan's nonnuclear stand.

He also denied a report carried Monday by another British paper, THE INDEPENDENT, that Tokyo plans to develop intercontinental ballistic missiles in connection with its imminent launching of the first all-Japanese satellite-launch rocket. "I want to emphasize our nation's space development activities are strictly limited to peaceful purposes," Takemura noted.

Hosokawa Urges Ukraine To Become Nuclear-Free

OW0102095694 Tokyo KYODO in English 0935 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Prime Minister Morihiro Hosokawa has sent a letter to Ukraine President Leonid Kravchuk urging that the former Soviet Republic become a nuclear-free country as soon as possible, Foreign Ministry Spokesman Terusuke Terada said Tuesday [1 February]. Japanese Ambassador to Ukraine Shoji

Suezawa handed Hosokawa's written message to Nikolay Makarevych, Ukraine's first vice foreign minister, Terada said.

In the letter, Hosokawa gave high marks to a recent trilateral accord among Ukraine, Russia and the United States in which Ukraine pledged to give up its nuclear arms. He also urged Kravchuk to implement the accord as soon as possible, Terada said.

Hosokawa called on Ukraine to ratify the Strategic Arms Reduction Treaty (START I) unconditionally and accede to the nuclear Nonproliferation Treaty (NPT) as a nonnuclear state, the spokesman said.

He also said Ukraine's participation in the "Partnership for Peace," endorsed by the leaders of North Atlantic Treaty Organization (NATO) in Brussels last month, is meaningful in enhancing global security. The plan is intended to bring former Warsaw Pact adversaries into a limited partnership with the Western Military Alliance.

Hosokawa's letter also expressed Japan's strong expectations that Ukraine will further promote efforts for economic development, Terada said.

'Senior' Official Views Plans for G-7 Talks

OW0102100594 Tokyo KYODO in English 0944 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Japan hopes to directly ask about the Russian situation and policy at a planned meeting of finance ministers and central bankers of the Group of Seven (G-7) leading nations in Germany in late February, a senior Finance Ministry official said Tuesday [1 February]. The official, requesting anonymity, said Germany, which is to host the G-7 meeting, has shown interest in discussing the Russian issue but Japan has not yet received any notice about inviting a Russian delegation, he said.

Meanwhile, the official said arrangements are now being made for Finance Minister Hirohisa Fujii to meet U.S. Trade Representative Mickey Kantor who arrived in Tokyo later Tuesday.

Fujii intends to meet Kantor if his schedule allows, he said.

On the ongoing negotiations on insurance service—one of the top priorities under the Japan-U.S. "framework" trade talks, the official said further talks are needed ahead of the February 11 summit of Prime Minister Morihiro Hosokawa and President Bill Clinton.

The two sides are reportedly at odds over an objective criteria with Japan refusing U.S. demand for quantitative criteria that can be interpreted as numerical targets in market access. The official said the criteria could be something different for each field.

On the macroeconomic field, the official stressed that it is for review by reporting each other's measures and not for negotiations. "The U.S. side recognizes it, and this is also how the macroeconomic field is taken at G-7 meetings," he said.

Hosokawa Heads Office for Trade Complaints

OW0102011194 Tokyo KYODO in English 0030 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Prime Minister Morihiro Hosokawa's cabinet decided Tuesday [1 February] to upgrade the existing Office of Trade and Investment Ombudsman (OTO) to an enlarged body, to deal with complaints about trade barriers.

The new organization will consist of cabinet ministers instead of vice administrative ministers, as was formerly the case with the OTO. The prime minister will serve as chief of the new body.

The upgrading of the OTO is in line with a proposal made last December by a government advisory panel that the OTO be expanded to deal more efficiently with trade complaints.

Joint Pharmaceutical Company Planned in PRC

OW0102122194 Tokyo KYODO in English 1000 GMT 1 Feb 94

[Text] Osaka, Feb. 1 KYODO—Takeda Chemical Industries Ltd. said Tuesday [1 February] it will establish a pharmaceutical production company in Tianjin, China, in March with a local pharmaceutical firm.

It will be Takeda's first joint venture in China, company officials said.

They said the venture, Tianjin Takeda Pharmaceuticals Co., will be capitalized at 19.2 million dollars (2 billion yen).

Takeda, Japan's top pharmaceutical maker, will provide 75 percent of the capital, while the local partner Lisheng Pharmaceutical Factory Tianjin will put up 25 percent.

The new factory, expected to start operation after two and a half years, will produce six drugs, including an anti-prostate cancer agent and a cerebral vasodilator. It will market the products in China where the need for health care is growing, the officials said.

The new venture is expected to post about 2 billion yen in sales in 1997, they added.

PRC Places 'Massive' Orders for Steel Pipes

OW3101083194 Tokyo KYODO in English 0750 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—Major Japanese steelmakers have received a series of Chinese orders for massive imports of seamless steel pipes for oil drilling, industry sources said Monday [31 January].

China has already ordered about 100,000 tons of the material from Nippon Steel Corp., NKK Corp., Sumitomo Metal Industries Ltd. and Kawasaki Steel Corp. for deliveries in the February-July period, compared with actual shipments of 120,000 tons a year earlier, they said.

There is speculation in the industry that Chinese orders for the half year will rise to a level of 150,000 to 200,000 tons.

Increased exports in the coming months are likely to bolster the Japanese steelmakers' money-losing seamless pipe manufacturing operations, the sources said.

Despite booming exports of ordinary rolled steel to China, Japan's seamless pipe exports to the country have been sluggish in recent years, falling to a range of 150,000 to 200,000 tons from a peak of about 700,000 tons in the half-year period of 1985.

The sources attributed the active Chinese orders to a series of oil development projects in China's inland areas and a reduction in Chinese stocks of the material.

Japan, which exports more than 70 percent of its seamless steel pipe production, has been losing money on the operations due to the yen's appreciation on the foreign exchange market.

Firm To Open First Menswear Shop in Shanghai

OW3101113094 Tokyo KYODO in English 1022 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—Aoyama Trading Co., a major Japanese menswear retail chain operator, said Monday [31 January] it will open its first sales outlet in China in February in partnership with a local firm.

The Hiroshima-based company said the new store, to be opened in Shanghai, will sell men's suits as well as shirts and casual wear.

The company has already opened two stores in Taipei and established a subsidiary in Hong Kong. It said it also plans to expand its domestic sales network from the present 514 outlets to about 750 stores in two years.

Hijacker Publicizes Appeal for Daughters' Return

OW3001101094 Tokyo KYODO in English 0853 GMT 30 Jan 94

[Text] Tokyo, Jan. 30 KYODO—One of the nine extremists who hijacked a Japan Airlines [JAL] flight to Pyongyang in 1970 made a publicized appeal to allow his daughter to return to Japan, a group sympathetic to the hijackers said Sunday [30 January]. The letter from Takahiro Konishi, 49, who lives in the North Korean capital, appeared in the January 29 edition of a newsletter put out by the group.

He wrote that he wants his 16-year-old eldest daughter, who is without nationality, "to study together with her Japanese friends in the land of her ancestors."

Konishi is the sixth hijacker to indicate he wants to return to Japan. It is the first time that a letter bearing the hijacker's actual name was sent to Japan.

Nine former Sekigun-ha (Red Army faction) extremists hijacked the JAL Boeing-727 airliner and its crew of seven and 122 passengers on a flight from Tokyo to Fukuoka.

The plane landed in Seoul, where the passengers were released, and continued on to Pyongyang, where the hijackers defected.

Konishi also thanked the sympathizers' group for their letters and gifts and wrote he "was able to understand the warmness of (Japanese) relatives" at a meeting three and a half years ago in Pyongyang.

Konishi said that the meeting clarified his feelings and he was certain he would return to Japan.

The seven families of the hijackers include 17 children, and the sympathizers have been campaigning to acquire Japanese nationality and passports for them so that they can return to Japan.

Konishi said that if it is possible, he wants to send his oldest daughter and her 14-year-old sister to Japan this summer.

Foreign Ministry Announces Loan, Aid to SRV

OW2801134294 Tokyo KYODO in English 1111 GMT 28 Jan 94

[Text] Tokyo, Jan. 28 KYODO—Japan agreed with Vietnam on Friday [28 January] to extend a loan of 52.3 billion yen and a grant-in-aid of 853 million yen, Foreign Ministry officials said.

The Japanese Government pledged the loan at an international conference on aid to Vietnam held in Paris last November.

Japanese Ambassador to Vietnam Hiroyuki Yushita and Vietnamese Foreign Minister Nguyen Manh Cam exchanged documents on the loan and the grant in Hanoi, the officials said.

The loan is for seven projects to improve infrastructure related to power supply and transportation, and to pay for equipment to repair roads and waterworks, they said.

The aid is to support Vietnam's efforts at economic reform and to shift to a market-oriented economy under its policy of "doi moi" or renovation, they said.

Japan will also grant 788 million yen for Can Tho University in southern Vietnam to improve its agriculture department. The money will be used to build facilities and to pay for equipment.

Another grant of 65 million yen will be used for a project to improve waterworks in northeastern Hanoi.

Toyota, Volkswagen Agree To Continue Production

OW2701123394 Tokyo KYODO in English 1113 GMT 27 Jan 94

[Text] Nagoya, Jan. 27 KYODO—Toyota Motor Corp. said Thursday [27 January] it has agreed with German automaker Volkswagen AG to extend their contract to make commercial vehicles in Germany.

Under the contract due to expire at the end of 1994, Toyota and Volkswagen have turned out Toyota's Hilux model and Volkswagen's Taro based on the Hilux at a Volkswagen factory in Hannover since 1989.

Toyota said the extended contract will be valid until the currently produced models give way to new ones, but that it is not yet decided whether to extend it again after that time.

The Hannover factory produced some 9,000 units last year and expects to keep production volume unchanged from last year's level in light of a weak European auto market.

Nagoya Court Rejects Refugee Bid by Pakistanis

OW3101133494 Tokyo KYODO in English 1305 GMT 31 Jan 94

[Text] Nagoya, Jan. 31 KYODO—The Nagoya District Court on Monday [31 January] rejected a suit by eight Pakistanis to be recognized as refugees, claiming they feared religious persecution as members of the minority Ahmadi Sect of Islam if forced to return home.

Presiding Judge Yoji Okahisa rejected the suit by ruling that "In Pakistan there is no objective reason to fear persecution, so refugee status does not apply."

"The domestic situation is such that no criminal penalties would be applied aside from using the name of Islam publicly," the court decided.

The six men and two women had filed suit against the justice minister to be recognized as refugees by the Japanese Government, saying they feared persecution for their religious activities in Pakistan.

In 1984, the Pakistani Government pronounced a law that prohibited the Ahmadi Sect from identifying itself with Islam and including criminal penalties for religious activities.

The eight plaintiffs arrived in Japan in 1988 with the help of the sect's Nagoya branch office. Claiming that they feared being arrested if they returned to Pakistan, the eight applied for refugee status with Nagoya immigration authorities, receiving an extension to stay in Japan while waiting for a decision. Immigration authorities decided, however, there was no concrete evidence of persecution.

Meanwhile, the extensions to their visas expired while they pleaded their case from 1990 to 1992 in a series of suits.

Government To Reschedule Jamaica Debt

OW2701071094 Tokyo KYODO in English 0557 GMT 27 Jan 94

[Text] Tokyo, Jan. 27 KYODO—Japan on Thursday [27 January] agreed with Jamaica on rescheduling of Japanese loans to the country, government officials said.

The agreement covers a total of 1.416 million yen worth of capital and interest payments due on September 30, 1995.

The rescheduled debt is part of loans to Jamaica by the Export- Import Bank of Japan and Japan's Overseas Economic Cooperation Fund.

Under the agreement, Jamaica is allowed to postpone to 2000 payments on loans from the bank, and to 2004 the repayment on loans from the fund, the officials said.

It is the seventh debt payment rescheduling for Jamaica, they said.

Aid Extended for Somalia's Police, Judiciary

OW0102121394 Tokyo KYODO in English 1034 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Japan will extend 10 million dollars to cooperate in a United Nations program to reconstruct Somalia's police and judicial system, the Foreign Ministry said Tuesday [1 February].

Japan pledged the amount at a U.N.-sponsored meeting in Nairobi on the establishment of an organization to coordinate assistance to Somalia, the ministry said.

The government will provide the assistance considering the urgent need to reconstruct Somalia's police and judicial system and establish a system to maintain public order and restore peace by the Somali people themselves, it said.

The U.N. Operation in Somalia (UNOSOM II), currently deployed to maintain the public order and secure safety of humanitarian assistance activities, announced last October a program to reconstruct the local police and judicial system.

The U.N. is calling on member countries to cooperate in the program, the ministry said.

Tokyo Extends Aid To Help African Refugees

OW2701093194 Tokyo KYODO in English 0650 GMT 27 Jan 94

[Text] Tokyo, Jan. 27 KYODO—Japan has disbursed a total of 2 million dollars to the World Food Program (WFP) to pay for food for refugees in the African nations of Zaire and Mauritania, the Foreign Ministry said Thursday [27 January].

The government has extended 1 million dollars to each nation to help the refugees through Japan's WFP international emergency food reserve, the ministry said.

In Mauritania, there are about 50,000 refugees from neighboring Mali's Tuareg tribe due to clashes among ethnic groups and between the Mali army and the Tuareg tribe, the ministry said.

In Zaire, there are some 140,000 people who are taking refuge in the northern region of Kasai because of regional ethnic disputes, the ministry said.

Takemura Discusses Approval of Reform Package

OW3001141794

[Editorial Report] Tokyo FNN Television Network in Japanese at 2239 GMT on 29 January, in its regularly-scheduled "News 2001" program, carries a 28-minute interview with Chief Cabinet Secretary Masayoshi Takemura, and head of Sakigake (Harbinger Party). The live interview, conducted in an Asahi Television studio in Tokyo, and moderated by newscasters Yuji Kuroiwa and Kaori Matsuyama, is joined from time to time by regular guest commentators Kenichi Takemura, columnist, and Yoshiaki Kobayashi, a professor at Keio University.

Kuroiwa begins the interview by asking Takemura to comment on the view that the Prime Minister's Office and coalition leaders, such as Ichiro Ozawa, worked in harmony for the first time in a long time to have the political reform bills approved. Takemura says: "The five representatives of the ruling parties, including Ozawa, were in charge of contacting the Liberal Democratic Party (LDP). In a different sense, the Prime Minister's Office, or the government, was also in contact with the LDP. Rather than saying we acted in concert, I should say the LDP's responses to us changed significantly. Both sides were feeling good about the situation. There were almost no differences of opinion within the ruling parties, and the only thing we had in mind was to reach an agreement with the LDP. Because of this, everything went well."

Asked to explain when the political reform compromise package will be enacted, Takemura answers: "The preamble of the memorandum states that the revised bills will be approved before we start deliberations on the original fiscal 1994 budget at the next ordinary Diet session, which will start tomorrow (31 January). They will probably be approved before the end of February. An enforcement date will be decided at that time."

Regarding the contents of the package, and particularly corporate contributions of political funds, Takemura explains the significance of the agreement is that a politician will designate a single fund-raising organization to which donations can be paid, and the maximum amount of a corporate contribution will be reduced to 500,000 yen per annum.

Pointing out that the recent agreement is just the first step toward political reform, Kobayashi asks Takemura if he is already thinking about the next step. In response, Takemura says: "The task we have to buckle down to is upper house reform. Reform of the local electoral systems is another task."

Matsuyama asks if the gap between the Social Democratic Party of Japan (SDPJ) and other coalition parties has widened. Takemura answers: "The SDPJ made bold decisions one after another to support the Hosokawa administration. I think the Hosokawa administration survived the past six months and was able to challenge several major tasks thanks to the SDPJ's series of bold compromises. However, the bitter processes in the decision-making within the SDPJ were reported vividly so it appeared to the public as if the existence of the SDPJ itself in the coalition was a problem."

As for the possibility of policy cooperation with the LDP in the future, Takemura says: "We should make the recent agreement an occasion to change the harsh relations of the past between the ruling and opposition parties. The LDP members have said from the beginning they would make the LDP a healthy opposition party. We seriously listen to the opinions of the opposition party." On the possibility of including the LDP in the coalition, Takemura says: "We still have not talked about it at all." Takemura also rules out the possibility of uniting all political parties into two major parties. However, he admits there is a movement among the ruling parties—between Sakigake and a SDPJ group led by former SDPJ Secretary General Akamatsu, for example—to hold joint study sessions.

On the possibility of uniting Sakigake with Prime Minister Hosokawa's Japan New Party, Takemura says: "I think it is only a matter of time."

After briefly discussing the contents of a book Takemura wrote recently, moderator Matsuyama asks Takemura to explain what he meant by describing Japan as a country that is small but "shines." Takemura explains that, in the international community, Japan is perceived by many to be small because it does not make sufficient international contributions in nonmilitary areas, including environmental protection and fighting against drug trafficking, but it does stand out as a country.

Returning to the issue of reorganizing the political world under the new electoral system, Takemura says: "We cleared the first hurdle yesterday. We need to make some amendments in the future. However, we politicians are seriously thinking about how we will win elections under the new system. It is an instinctive reaction. This mean that serious discussions on reorganization of the political world will start soon. I think it is inevitable."

Asked when the new electoral system will become effective, Takemura says: "Around this fall at the earliest, if the lower house is dissolved. However, we still have three and half more years before our term of office runs out."

On the possibility of reorganizing the political world within this year, Takemura answers: "I think we have a 100 percent possibility of reorganizing the political world before the next election."

Details of Political Reform Package Reported

OW2901031394 Tokyo KYODO in English 0247 GMT 29 Jan 94

[Text] Tokyo, Jan. 29 KYODO—The following were details of the political reform compromise package signed early Saturday [29 January] between the ruling coalition of Prime Minister Morihiro Hosokawa and the opposition Liberal Democratic Party. The compromise makes it likely the Diet will now approve the government's reform bills during its Saturday session.

(House of Representatives)

The lower house would have 500 seats, compared with 511 at present. This would include 300 from single-seat electoral districts and 200 chosen by proportional representation.

The coalition originally proposed a combination of 274 single- seat constituencies and 226 chosen by proportional representation.

(Voting)

Voters would cast two ballots, one for a single-seat representative and another for a party on the proportional list divided into 11 regional blocs.

The coalition originally proposed candidates for the proportional representation seats be chosen from a single nationwide list.

(Party Fund-Raising)

A politician may designate a single fund-raising organization to which donations can be paid. Companies may contribute up to 500,000 yen a year to an organization. The organizations would be banned after five years.

The coalition originally proposed an immediate ban on company donations to politicians' support groups.

(Political Parties)

A party must poll at least 2 percent of the proportional representation vote to qualify to win a seat.

Under existing regulations, the figure is 3 percent.

Two From USDP To Join Sakigake-JNP Group

OW2901144594 Tokyo KYODO in English 1434 GMT 29 Jan 94

[Text] Tokyo, Jan. 29 KYODO—Science and Technology Agency Director General Satsuki Eda, head of the minor United Social Democratic Party (USDP), said Saturday [29 January] he and USDP Secretary General Shogo Abe will join the parliamentary alliance of Sakigake (Harbinger) and the Japan New Party (JNP).

Eda and Abe said they will join the Sakigake-JNP group in the next regular Diet session due to open Monday. The two men expressed their intentions in a meeting of legislators belonging to the parliamentary group.

To pursue the new political alliance, Eda and Abe on Saturday left a parliamentary group comprised of members of the USDP and the Social Democratic Party (SDP), the leading component in the ruling coalition.

The USDP, formed in March 1978 after bolting from the SDP, holds four seats in the powerful House of Representatives. Another USDP lower house member, Naoto Kan, has already joined the Sakigake-JNP.

Yanosuke Narazaki, the other lower house legislator, is expected to remain in the SDP-USDP group to maintain ties between the two parties. Hideo Den, the USDP's only upper house member, left the party Monday.

The USDP joined six other parties last August to form the coalition government, ousting the Liberal Democratic Party (LDP) from a 38-year grip on power.

Prime Minister Morihiro Hosokawa, meanwhile, said Saturday that his own JNP will not merge with Sakigake in the next regular Diet session as initially envisioned.

Hosokawa said in a news conference after Diet approval of the government's political reform package that there would not be any problem if the two parties do not rush to get together. A top official of Sakigake, headed by Chief Cabinet Secretary Masayoshi Takemura, also denied the possibility of the two parties' early merger.

Resulting Seat Distribution Noted

OW3101085894 Tokyo KYODO in English 0821 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—Two top leaders of the minor United Social Democratic Party (USDP) joined the Sakigake [Harbinger]-Japan New Party (JNP) alliance Monday [31 January].

USDP Chief Satsuki Eda, now director general of the Science and Technology Agency, and the party's secretary general, Shogo Abe, left the lower house alliance between the USDP and the Social Democratic Party (SDP) on Saturday.

Eda has said the USDP will be dissolved as a result of the likely realignment in Japanese politics following Saturday's passage of reform bills in the Diet. The USDP, formed in 1978 after splitting from the SDP, holds four seats in the lower house.

Another USDP lower house member, Naoto Kan, has already joined the Sakigake-JNP and became a formal member of the alliance on Monday. Yanosuke Narazaki, the other USDP lower house legislator, is expected to remain in the SDP-USDP group to maintain ties between the two parties.

Hideo Den, the USDP's only upper house member, left the party on December 24.

The distribution of seats in the 511-seat lower house now looks as follows—Liberal Democratic Party (LDP) 222, SDP-USDP 74, Shinseito [Japan Renewal Party] 61, Sakigake-JNP 55, Komeito [Clean Government Party] 52, Democratic Socialist Party (DSP) 19, Japanese Communist Party (JCP) 15, Kaikakuonokai (Reform Group) five, and independents eight.

Meanwhile, the LDP notified the House of Councillors that three upper house members have left the party.

Ichiji Ishii, Yamato Kogure and Tomoichi Hoshino left the LDP after voting for the government's political reform bills in the upper house on December 21, defying the party's decision to vote against the bills.

A compromise version of the bills was enacted into law in the lower house on Saturday.

An upper house alliance of the JNP, Shinseito and the Democratic Reform Party (DRP) has given notice that the three LDP defectors have joined their group.

As a result, in the 252-seat upper house, the LDP has 96 seats, the SDP 73, the JNP, Shinseito and the DRP 26, Komeito 24, the DSP 11, the JCP 11, the Niin Club five and independents six.

Diet Member Sues Daily Over Bribe Allegation

OW3101123194 Tokyo KYODO in English 1133 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—Seiroku Kajiyama, a powerful Diet member of the opposition Liberal Democratic Party (LDP), sued the ASAHI SHIMBUN on Monday [31 January], demanding 100 million yen in damages over reports he received 10 million yen from a construction firm.

The lawsuit, filed with the Tokyo District Court, also demands the mass-circulation daily publish an apology.

The written petition of the suit said the reports libeled Kajiyama, 67, an LDP House of Representatives member, and were detrimental to his credibility.

On January 9, the ASAHI SHIMBUN carried a front-page story that Mitsui Construction Co. gave 10 million yen to Kajiyama to gain his influence in obtaining a public works contract.

The money was handed over around the spring of 1991 after a Kajiyama representative allegedly asked then Ibaraki Gov. Fujio Takeuchi to favor Mitsui Construction in bids for a 25 billion yen dam project, the article said.

The ASAHI said Takeuchi, 76, related the transaction to the Tokyo District Public Prosecutors Office, which is investigating a series of scandals involving politicians and general contractors over public works projects.

Mitsui Construction asked the Kajiyama side to exert influence on the governor so that the dam contract would be awarded to the company, the report said.

Also on January 14, the paper reported that prosecutors began questioning executives of Mitsui Construction in connection with the suspected payment to Kajiyama.

Lawyers for Kajiyama released a statement Monday that he never requested nor received money from the Tokyo-based construction firm. Kajiyama himself will soon hold a press conference to prove his innocence on the issue, his office said.

The lawyers also criticized the Tokyo District Public Prosecutors Office for leaking false information to ASAHI SHIMBUN reporters.

According to the lawyers, Kajiyama has decided not to file a complaint against the prosecutors office over the alleged leak, saying the case will not be investigated fairly.

Tetsuzo Hori, head of the City News Department of the ASAHI's Tokyo headquarters, said the reports are based on sufficient coverage and the paper is confident they are true.

Kajiyama, elected eight times since 1969 from Ibaraki Prefecture's No. 2 Constituency where the dam is to be built, has served as home affairs minister, international trade and industry minister, and justice minister.

For two years from December 1990, Kajiyama was the LDP's chief parliamentary strategist as chairman of the Diet Affairs Committee. He later served as LDP secretary general between December 1992 and last August.

Takeuchi was indicted last year for allegedly taking a total of 95 million yen in bribes from major contractors Hazama Corp., Shimizu Corp., Kajima Corp. and Tobishima Corp.

A former vice president of Mitsui Construction is on trial for allegedly giving a 10 million yen bribe to former Sendai Mayor Toru Ishii.

Ex-Miyagi Governor Honma Denies Bribery Charge

OW3101044394 Tokyo KYODO in English 0430 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—Shuntaro Honma, former governor of Miyagi Prefecture, pleaded not guilty Monday [31 January] to charges he took a 20 million yen bribe from construction giant Taisei Corp. while he was in office.

Honma, at his first court hearing, said he neither was offered the 20 million yen from Taisei last year, nor received any money.

Prosecutors said Honma, 53, took the cash in late January in exchange for giving Japan's second biggest contractor the tender for a cancer center worth billions of yen. They said the money also was intended as a sweetener for future public works in Miyagi, about 340 kilometers northwest of Tokyo.

Mitsuo Moriya, 65, a Honma aide charged with playing an intermediary role, admitted receiving the money but denied it was a bribe for Honma. Moriya was a senior member of the Liberal Democratic Party's Miyagi chapter.

Three former Taisei executives who were also indicted said in the hearing that they gave the 20 million yen to Honma to help him win reelection. They also said that they implicitly expected him to act in favor of the company in awarding contracts for public works projects.

The three executives are former Vice President Takashi Hashimoto, 57, Koji Amada, 53, former head of the firm's Tohoku branch and his predecessor Takaaki Wada, 57.

Their attorney asked the court for leniency, saying his clients would not contest the charges.

Honma was arrested in September along with Moriya, Wada and Amada. Hashimoto was arrested later.

Honma stepped down in October, half way through his four-year second term. He has been held at Tokyo detention house.

The former Miyagi governor also has been charged with pocketing 100 million yen in bribes from disgraced business tycoon Ryoei Saito, 77, former honorary chairman of Daishowa Paper Mfg. Co.

On this occasion, Moriya apparently acted as intermediary for Honma in channeling the bribe. Daishowa, which also has interests in a golf course and housing projects in Miyagi, was implicated in December 1991.

Two governors and two mayors stand trial in a series of bribery scandals centering on eight of the country's leading construction companies.

In mid-January, prosecutors arrested two executives of another contractor, Obayashi Corp., on suspicion of bribery. That brings the number of construction officials implicated in the scandal since June to more than 20.

Ex-Ibaraki Governor Pleads Innocent in Trial

OW0102015694 Tokyo KYODO in English 0144 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Former Ibaraki Governor Fujio Takeuchi pleaded innocent Tuesday [1 February] to a prosecution charge that he received a 10 million yen bribe from the country's leading contractor, Shimizu Corp., in 1992 while he was in office.

Takeuchi, called to answer the charge at the Tokyo District Court, categorically denied receiving the money from Shimizu.

Hosokawa To Revise 'Lifestyle Superpower' Plan

OW3001060894 Tokyo KYODO in English 0553 GMT 30 Jan 94

[Text] Tokyo, Jan. 30 KYODO—Prime Minister Morihiro Hosokawa will fashion a new medium-term program to overhaul the Japanese economy and make living conditions better, superseding the five-year program compiled under the previous administration, government sources said Sunday. The new program will be an expanded version of the program put forth in 1992 by the administration of then Prime Minister Kiichi Miyazawa to make Japan a "lifestyle superpower," the sources said.

Hosokawa's new plan will include an increase to the 430 trillion yen in public works spending over ten years promised by Tokyo in 1990 to the United States during the bilateral structural impediments initiative (SII) talks.

The new scheme will also contain an actual spending list for enhancing the infrastructure, such as housing, parks, and telecommunications, they said.

Hosokawa will seek advice on the program from the economic council for compilation by the end of the year, they said.

By telling President Bill Clinton about the new plan in their summit meeting on February 11, Hosokawa hopes to induce an expression of appreciation from the U.S. on Japan's efforts to boost its domestic demand and thereby slash its mammoth trade surplus. Hosokawa is also expected to present to Clinton the government's new economic stimulus package that will include 5 to 6 trillion yen worth of income and residence tax cuts.

Washington, in apparent frustration about the lack of progress in the current bilateral "framework" trade talks, successor to the SII talks, has been urging Japan to inject a strong and sustainable stimulus into the feeble economy.

Japan has vowed to reach market opening agreements in several priority sectors, such as autos, by the February summit.

U.S. Treasury Secretary Lloyd Bentsen said during his recent visit to Tokyo, "If we do not have credible agreements by the time of the summit, we would have to reexamine the basis of the framework ... we will not settle for any cosmetic agreement."

The Miyazawa program stipulated measures to enhance living standards, spelling out such goals as lowering the prices of houses and condominiums down to five times a salaried worker's annual income, and shortening an employee's annual working hours to 1,800 or below.

Hosokawa originally intended to inherit the Miyazawa plan, but changed his mind after his success in political reform raised the chances of a long tenure, the sources said.

The Hosokawa administration already received a call from a blue-ribbon advisory council to increase the government's public works expenditures.

In line with the November recommendations of the advisory group for economic restructuring, last November, Hosokawa's new economic program will contain steps to promote deregulation, a review on taxation and insurance systems in light of the aging population, and assistance to farmers following Japan's acceptance of the partial opening of the rice market. The measures spelled out in the premier's "vision for the 21st century," which he announced at the start of this year, will also be incorporated into the plan.

In the "vision," Hosokawa called for lowering housing costs by one third and tripling the per-capita park area.

Ministry Announces Subsidies for 12 Industries

OW3101080694 Tokyo KYODO in English 0727 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—The Labor Ministry said Monday [31 January] that 12 manufacturing industries, including bag makers, will be eligible for the government's employment adjustment subsidy for one year from Tuesday. Under the existing system, employers will be provided with a subsidy to pay a portion of salaries and allowances to employees who are temporarily laid off because of the economic slowdown.

The ministry said the 12 industries to be added to the list include offshore oil drilling, felt manufacturing, polyurethane making and processing, refrigerating and air conditioning regulators manufacturing and electric welding machine manufacturing.

Seventeen other industries, including piano and its accessories manufacturing, were also re-designated as eligible, the ministry said.

It said the list will cover 4,856,000 workers in a total of 233 categories of manufacturers.

Wholesale, Retail Sales Drop 2d Straight Year

OW3101090294 Tokyo KYODO in English 0839 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—Sales by wholesalers and retailers in 1993 dropped from the preceding year for the second straight year mainly because of sluggish corporate and personal consumption, the government said Monday [31 January].

The Ministry of International Trade and Industry said the sales index stood at 97.1 against the 1990 base of 100, down 4.0 percentage points from the year before.

The index for the wholesale industry was down 4.1 percentage points while that for the retail business declined 3.8 points, the ministry said.

The ministry said sales by large-scale retailers such as trading houses plunged 5.3 points.

Sales and exports of durable products by wholesalers were sluggish due to slow production activity by the manufacturing industry, the ministry said.

In the retail category, all industries, including automobiles, foodstuffs, clothing and accessories, posted sales declines due to weak spending by corporations and individuals, it said.

Top 50 Construction Firms' Orders Said Down

OW3101133394 Tokyo KYODO in English 1240 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—Orders won in 1993 by Japan's 50 major construction companies totaled 19.73 trillion yen, an 18.2 percent fall from the previous year and the second consecutive yearly decline, the Construction Ministry announced Monday [31 January].

The rate of decline was the greatest since the ministry started the annual surveys in 1961.

Ministry officials attributed the plunge chiefly to a 24.1 percent fall in construction orders from the private sector to 12.11 trillion yen—the third straight yearly drop.

Orders from the manufacturing industries, centered on the automotive and food businesses, posted a 37.1 percent decrease, and those from the nonmanufacturing industries a 21.3 percent fall.

Orders from the public sector totaled 6.38 trillion yen, down 7.1 percent for the first fall in eight years.

Authorities placed more orders with medium-sized and small construction companies and fewer orders with major firms following the uncovering last year of a series of bribery scandals involving general contractors and local government chiefs.

More Commentary on Stimulus Package Issue

Consumption Tax Issue Discussed

OW3101135794 Tokyo KYODO in English 1336 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—The government and the ruling parties are set to include an income tax cut without tying it to a consumption tax hike in the economic stimulus package to be announced Thursday [3 February], government and party sources said Monday.

The sources said the tax cuts would total 6 trillion to 7 trillion yen and be retroactive to January.

The splitting of the tax cut and consumption tax hike will be officially decided at a joint economic forum of the government and the coalition parties, the sources said.

The forum held a meeting Monday evening, and Deputy Prime Ministry Tsutomu Hata, who chairs the forum, told reporters after the meeting that a final decision will come by Wednesday. The decision, the sources said, will be to finance the cut in income and residential taxes by issuing short-term deficit-covering bonds.

But the Finance Ministry is continuing to insist on tying the income tax cut to a raise in the consumption tax rate, currently at 3 percent.

Given the ministry's insistence, the forum is to include a provision in the fiscal 1994 tax reform plan to "correct" the ratio of direct to indirect tax revenues in one or two years to fund the tax cut, the sources said. This means, in effect, hiking the consumption tax rate.

Hata said, "tax cuts without any future (funding) expectations are dangerous for the nation," indicating an consumption tax hike will be implemented in the future.

The sources said that to meet the antipathy of some in the coalition to any reference to a consumption tax, the forum is also considering stipulating that a fixed proportion of consumption tax revenue be used for social welfare, and recommend changing the name to a "welfare tax" or "livelihood tax."

The decision, if made as the sources predict, will mean a setback for the Finance Ministry, which has been insisting on inclusion of concrete timing and scale of a consumption tax hike as a "collateral" for repaying the deficit-covering bonds.

The Finance Ministry faced strong objections led by the Social Democratic Party (SDP)—The largest in the coalition—to such a move from and the threat of shaking the coalition government if it pushed its demands too hard, the sources said.

A consumption tax hike would also be highly unpopular with the public at a time when the economy is so weak, and could also draw criticism from the United States, which is seeking strong measures to stimulate domestic demand to reduce Japan's huge trade surplus, they noted.

The Finance Ministry had insisted that the same fiscal 1994 tax reform bills that specify the cuts also clearly spell out a hike in the consumption tax rate to around 7 percent from its current 3 percent, to be implemented in April next year.

But the SDP and Komeito [Clean Government Party], at Monday's meeting of coalition parties again opposed linking the income and residential tax cuts with the consumption tax increase, the sources said.

Meanwhile, some cabinet members at a meeting of government and coalition party leaders, called for reviewing the tax issue later under a broader policy to address the nation's aging society, taking into account the concerns of such people as fixed-income pensioners.

Prime Minister Morihiro Hosokawa, although indicating he would leave it to the coalition how to handle the funding of the tax cuts, effectively made it difficult to include the tax hike by saying he wanted the tax issue decided Wednesday and included in Thursday's stimulus package, the sources said.

Saito on Tax Cut, Hike Stance

OW3101105094 Tokyo KYODO in English 0950 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—Vice Finance Minister Jiro Saito hinted Monday [31 January] that his ministry may soften its stance on the issue of whether to deal together an income tax cut and a consumption tax hike.

"I have never explained the definition," Saito told a scheduled news conference.

He declined further comment, noting a joint economic forum of the government and ruling coalition parties was dealing with the tax issue. Saito said the ministry "will respect the decision made by the forum."

On the stock market that staged a sharp rally, Saito said there would be "no direct effects" on the state of the economy because market prices are determined by supply-demand conditions which do not necessarily reflect economic fundamentals.

Kumagai Favors Tax Cut With Hike

OW0102034694 Tokyo KYODO in English 0328 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—The government should propose an income tax cut in tandem with an increase in consumption tax, Hiroshi Kumagai, minister of international trade and industry, said Tuesday [1 February].

Kumagai told reporters after a regular cabinet meeting that the combination of an income tax cut and a consumption tax hike has been the fundamental notion of Prime Minister Morihiro Hosokawa's cabinet.

"It is up to the government and the ruling parties to make adjustments for combining the tax cut and the tax hike," he said.

Asked about the scale of income tax reduction, Kumagai said the cut should help quicken Japan's economic recovery and contribute to the global economy.

EPA Chief Kubato on Cuts, Hikes

OW0102032294 Tokyo KYODO in English 0254 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Economic Planning Agency Director General Manae Kubota hinted Tuesday [1 February] she favors a plan to separate the issue of a consumption tax hike from a reduction in income tax.

A proposal made by the government's Tax Commission last November on the tax issue appears to be focusing too much on the concept that the proposed income tax cuts should be financed by tax revenues, Kubota told a regular press conference.

The scope of such sources could be further expanded, Kubota said, citing the possibility of unexpected revenues emerging from "economic adjustment" under various proposals by an advisory body to the prime minister.

Kubota was referring to the easing of government controls proposed last year by the advisory group for economic restructuring.

The Tax Commission tends to think of everything only in terms of a tax framework, she explained, while the government advisory body has a broader framework that would create new business needs in the future.

Kubota's remarks came at a time when the ruling coalition parties and the Finance Ministry are engaged in a tug-of-war over how to finance the income tax cuts which are expected to be included in the government's new economic stimulus package Thursday.

The Finance Ministry, adamantly against issuing "untreated" deficit-financing bonds, or bonds not backed by financial sources to repay them, has proposed hiking the consumption tax rate from the current 3 percent.

The coalition parties are in disarray over the issue, chiefly due to strong opposition to the consumption tax raise from the Social Democratic Party (SDP), the largest of the seven-party coalition.

Kubota, an SDP member, said she hopes the coalition will reach a consensus that would lead to tax reforms which balance income and consumption taxes.

Kubota, the head of the agency that is responsible for formulating the economic package, refrained from specifying the size of the proposed income tax reductions.

Cabinet on Tax Cut Link to Hike

OW0102014394 Tokyo KYODO in English 0138 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Cabinet members agreed with the Finance Ministry that a law to cut income taxes aimed at stimulating the economy must also contain a provision calling for an offsetting rise in the consumption tax, Finance Minister Hirohisa Fujii said Tuesday [1 February].

Fujii told a regular press conference after the morning cabinet meeting that he asked cabinet members to "reaffirm" that the two be handled together and that there were "no objections." The issue has split government and ruling party leaders in recent days, with many calling for an early tax cut while leaving for the future the matter of how to pay for it.

Fujii also said he interpreted comments made Monday by Deputy Prime Minister Tsutomu Hata to mean that a joint economic forum between the government and the coalition has "decided" that the tax cut and hike will be linked.

After a forum meeting, Hata told reporters that "tax cuts without future (funding) expectations are dangerous for the nation," adding that "it is necessary to indicate a set direction" for handling the consumption tax matter. Hata said the forum would issue its final decision by Wednesday.

Fujii said the stimulus package, to be announced Thursday, would be "large-scale," hinting that it will exceed September's record 13.2 trillion yen package. He said he hopes it will be the last such package needed to get Japan's sluggish economy on track for full-fledged recovery in the fiscal year starting in April and stable growth in the following fiscal year.

Fujii said Japan's economy is not in such dire straits as to require a stimulus financed by deficit spending that would erode the nation's fiscal position and later prove to be a "disgrace" to the financial authorities. Although he does not think the economy has hit bottom, he noted that Bank of Japan Governor Yasushi Mieno reported signs last week that corporate sentiment is improving.

Fujii repeated that the same tax reform package that cuts taxes must include the "timing and new rate" of the consumption tax increase to guarantee repayment of any short-term bonds issued to finance the cut. To support his concern about deficit spending, he cited a report by the Paris-based Organization for Economic Cooperation and Development (OECD) which he said proves the Japanese Government's consolidated fiscal position has become "the worst among the leading nations."

He said "the world misunderstands" the issue, apparently referring to a U.S. Government contention that Japan has fiscal breathing room to cut income taxes without linking the move directly to a consumption tax hike.

Fujii also said he would carefully watch long-term interest rates, which have recently begun to edge up, but he played down concerns that such upward pressure would put a drag on the economy, saying the government will not issue any bonds that cannot be "digested" by the market.

Ministers Differ on Income Tax Cut

OW0102050794 Tokyo KYODO in English 0453 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Ministers in Prime Minister Morihiro Hosokawa's coalition government made conflicting statements Tuesday [1 February] on whether the consumption tax should be raised to pay for a proposed income tax cut, indicating serious divisions on the issue.

Ministers from the Social Democratic Party (SDP), the largest group in the coalition, opposed such a move, with ministers from other parties saying a consumption tax hike and the income tax cut are inseparable.

Finance Minister Hirohisa Fujii reiterated his appeal for implementing an income tax cut in a package with a consumption tax hike.

"If two- to three-year deficit-financing bonds are used, it would mean discharging (debts) untreated," said Fujii, a member of Shinseito, at a press conference. He was referring to proposals to issue deficit-covering bonds to pay for the tax cut.

International Trade and Industry Minister Hiroshi Kumagai, also from Shinseito, voiced opposition to an income tax cut without securing a way to pay for it.

Kumagai said at a separate press conference that if the government decides on "an irresponsible tax cut," public confidence in politics would be eroded.

Foreign Minister Tsutomu Hata also indicated that a consumption tax hike is needed to finance both an income tax cut and an expected tax revenue shortfall. "Given there is a revenue shortfall as such, the government cannot avoid discussing the issue of how to secure tax revenues," he said.

Takenori Kanzaki, minister of posts and telecommunications and a member of Komeito, the second-largest party within the coalition, also voiced support for a consumption tax hike to finance an income tax cut. "There is a need to include a hike in the consumption tax rate," Kanzaki said.

But cabinet members from the SDP opposed raising the consumption tax as a way to finance a major income tax. Transport Minister Shigeru Ito, an SDP member, told a press conference that if a consumption tax hike is mentioned in a stimulus package to be adopted Thursday, there will be no stimulative effect.

Sadao Yamahana, minister in charge of political reform, and Economic Planning Agency Director General Manae Kubota, both from the SDP, joined Ito in opposing a consumption tax hike. "There are many problems with a hike in the consumption tax rate in light of its psychological effects," Yamahana said.

Kubota criticized a government tax commission report suggesting that an income tax cut be considered together with a consumption tax hike.

"The Tax Commission is thinking of taxes alone. It's no good to think in a vertically divided manner," she said.

Government ministers and representatives from the seven parties in the coalition government are to meet Wednesday to make a decision on whether to include in the package a future raise in the 3 percent consumption tax rate to finance a planned income tax cut.

The proposed income tax cut is expected to become the centerpiece of a new pump-priming package Hosokawa's cabinet is to finalize Thursday at their meeting.

Parties Postpone Tax Decision

OW0102120594 Tokyo KYODO in English 1139 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Ruling coalition parties on Tuesday [1 February] remained divided on how to finance a proposed income tax cut and postponed a final decision until Wednesday, party officials said. Although coalition party representatives met twice, they failed to reach a conclusion due to a gulf over whether to offset the proposed income tax reduction with a hike in the consumption tax, the officials said.

Ichiro Ozawa, secretary general of Shinseito (the Japan Renewal Party), told reporters the meetings broke down, adding that the ruling parties will hold another round of talks on Wednesday to thrash out a decision.

"It all depends on the SDP (Social Democratic Party)," said Takashi Yonezawa, secretary general of the Democratic Socialist Party.

The SDP, the largest force in the seven-party coalition government, has objected to the idea of raising the consumption tax, presently at 3 percent, to cover the diminished revenue resulting from the proposed income tax cut.

The income tax reduction is expected to be the core of a fresh economic stimulus package to be finalized by Prime Minister Morihiro Hosokawa's cabinet on Thursday.

SDP Chairman Tomiichi Murayama told reporters later that the party is willing to consider a more balanced tax system but oppose the consumption tax hike coupled in the same package with an income tax reduction.

He indicated it is acceptable to issue relatively short-term national bonds, like those that mature in five years, to fund tax cuts.

LDP Special Panel Adopts Program

OW0102133294 Tokyo KYODO in English 1309 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—The opposition Liberal Democratic Party decided Tuesday [1 February] to ask the coalition government of Prime Minister Morihiro Hosokawa to implement a 15 trillion yen economic stimulus package, party officials said. The officials said the request will be made by party leader Yohei Kono at his meeting with Hosokawa on Wednesday afternoon.

The program, adopted at the party's special panel to combat the recession, partly reflects a proposal made by Michio Watanabe, a senior member of the party and former foreign minister, they said. His 20 trillion yen proposal incorporated income and local tax cuts totaling about 10 trillion yen, they said.

But the LDP will only request an "early implementation of sharp tax cuts," they said. The officials said the LDP program also calls for a substantial reduction or a freeze of the land value tax.

Government Eyes 1-Year Deadline

OW0102153594 Tokyo KYODO in English 1522 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—The government is moving to set a one-year deadline for deciding an overall tax policy over which the ruling coalition remains split, a senior Shinseito (Japan Renewal Party) official said Tuesday.

A compromise plan is gaining ground among the seven-party coaltion after coalition party representatives failed to narrow the gap over whether to offset the proposed income tax reduction with a hike in the consumption tax, the official said. Under the plan, the government would issue a statement that would say the government should reach within a year a final decision on basic tax reform policy including revision of the ratio of direct to indirect taxes in the total tax revenues.

The plan also calls for the establishment of a special forum within the coalition to discuss the problem.

The government failed to reach an agreement on the issue due mainly to opposition by the Social Democratic Party to raising the consumption tax from the current 3 percent to finance the planned tax cuts.

The forthcoming package of economic stimulus measures will include income and resident tax cuts worth over 7 trillion yen, the Shinseito official said.

International Telecommunication Regulations Eased

OW3101092094 Tokyo KYODO in English 0902 GMT 31 Jan 94

[Text] Tokyo, Jan. 31 KYODO—The Ministry of Posts and Telecommunications said Monday [31] it has eased regulations in seven areas of international telecommunications service, including leased circuit and collect call services.

The ministry said its approval will no longer be needed for domestic common carriers to begin additional overseas leased circuit service or for providing collect call service for countries with which Japan has regular telephone link ups.

Notification of the new measures were made to three overseas telecommunications operators, KDD (Kokusai Denshin Denwa Co.), International Telecom Japan Inc. and International Digital Communications Inc.

Government Aims To Cut or Ease Business Rules

OW0102032094 Tokyo KYODO in English 0308 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—The government of Prime Minister Morihiro Hosokawa will aim to cut or loosen a total of 1,450 government regulations starting in the next fiscal year beginning in April, government sources said Tuesday [1 February].

The target is contained in the final draft of the cabinet's deregulation plan, a copy of which was obtained by KYODO NEWS SERVICE.

The draft says about 60 laws must be revised to conduct the deregulation. Of the 60, the Hosokawa cabinet will submit 50 amendment bills to the current ordinary session of the Diet, which began its 150-day run Monday.

The plan will be officially adopted Thursday by the cabinet task force on administrative reform promotion, headed by Hosokawa, as part of the government's efforts to stimulate the sluggish economy, the sources said.

The 1,450 items contain 800 regulations to be trimmed and 650 rules to be eased. The government will draw up a concrete deregulation promotion plan by the end of March 1995, which will be carried out over the next five years, according to the plan.

The government's proposal on administrative reform has eight chapters including deregulation, transferring administrative power to local authorities, fostering access to administrative information and streamlining administrative procedures.

In a related move, an advisory body urged Transport Minister Shigeru Ito on Tuesday to ease regulations on pilots' health, taking improved medical techniques into consideration.

The Transport Ministry hopes to revise related laws by the end of June and implement the council's proposals by fall, ministry officials said.

The panel submitted a report saying that the ministry should allow pilots to wear contact lenses instead of glasses. Although the ministry does not allow pilots to fly if they put on more than 30 percent of the standard weight for their height, the council said they should be allowed to fly if their circulatory and respiratory systems are functioning healthily.

Pilots must pass health checks every half year and other crew members every year, the ministry said. A total of 13,000 pilots and other crew members undergo medical examinations annually and an average of about 50 fail, the officials said.

Supplementary Budget 'To Aid Domestic Farmers'

OW2801045094 Tokyo KYODO in English 0331 GMT 28 Jan 94

[Text] Tokyo, Jan. 28 KYODO—The government will take measures to aid domestic farmers to be affected by a global trade agreement in a supplementary budget for fiscal 1994 and a full budget for fiscal 1995, the Farm Minister said Friday [28 January].

The accord of the Uruguay Round of multilateral trade talks came last month under the General Agreement on Tariffs and Trade.

However, Eijiro Hata, agriculture, forestry and fisheries minister, said such measures will not be included in the primary budget for fiscal 1994 which starts April 1.

The first meeting of the Agricultural Administration Council to discuss drawing up the farm measures will be held on Tuesday, Hata told reporters after a regular cabinet meeting. The steps will be compiled by the summer, Hata said.

Panel on 'New Vision' for Agricultural Sector

OW0102125794 Tokyo KYODO in English 1238 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—Prime Minister Morihiro Hosokawa on Tuesday [1 February] called on a government panel to make all- out efforts to create a new vision for restructuring Japan's agriculture.

The Agricultural Administration Council, an advisory panel to the prime minister and farm minister, is expected to discuss ways to help Japanese farmers, particularly those growing rice, to survive in the face of growing international competition.

In December last year, Japan agreed to gradually open its heavily protected rice market as part of a deal struck in the Uruguay Round of global trade talks.

The panel is expected to examine the various aspects of the nation's agriculture, from the nature of farm areas to product prices and distribution systems. It is scheduled to issue a mid- term report by the end of July.

Hosokawa attended the first day of the panel meeting Tuesday, along with Agriculture, Forestry and Fisheries Minister Eijiro Hata.

Hosokawa stressed that the government is set to take all possible measures to help Japanese farmers.

Hata pledged that his ministry will ensure stable production, particularly of rice, on the basis of the panel's recommendations, and will maintain balanced demand and supply as well as prices.

Members of the panel said they should examine the Foodstuff Control Law, other related laws, and ways to revitalize farm areas.

Retail Rice Prices Rise 0.6-1.6 Percent in Dec

OW2401113494 Tokyo KYODO in English 1053 GMT 24 Jan 94

[Text] Tokyo, Jan. 24 KYODO—Retail rice prices rose an average 0.6 percent to 1.6 percent in December, the Food Agency said Monday [24 January], citing its nationwide survey.

The agency said the price of top-grade glutinous rice gained 39 yen to 6,323 yen per 10 kilograms, while that of the second highest- grade rice moved up 83 yen to 5,754 yen.

The price of middle-grade rice rose 8.3 yen to 5,379 yen per 10 kilograms, the agency said.

In Kanagawa Prefecture, west of Tokyo, the price of the highest- grade rice climbed as much as 584 yen, or 10.9 percent, to 5,948 yen per 10 kilograms, the agency said.

Imported Rice Quality Said Underestimated

OW0102094594 Tokyo KYODO in English 0847 GMT 1 Feb 94

[Text] Tokyo, Feb. 1 KYODO—One-fourth of a group of surveyed rice wholesalers and retailers are opposed to the selling of domestic rice blended with foreign rice, a KYODO NEWS SERVICE survey released Tuesday [1 February] said. KYODO NEWS SERVICE recently conducted the survey on 100 rice sellers nationwide by picking two to three wholesalers and retailers in each of the country's 47 prefectural capitals.

Of the respondents, 16 percent replied they have already decided to sell domestic and foreign rice separately, while 10 percent said they have not made a final decision but do not want to sell "blended" rice.

Another 49 percent answered they have not yet decided whether they will sell the "blended" rice.

Only 22 percent of respondents said they will follow the Food Agency's policy of selling the foreign rice blended with the domestic product.

The agency will start test sales of foreign rice this month—20,000 tons imported from Thailand, 16,000 tons from China and 14,000 tons from the United States.

An agency official, commenting on the results of the survey, said, "The quality of imported rice has been underestimated."

The government has decided to import more than one million tons of foreign rice to make up for a supply shortfall resulting from the country's poor 1993 harvest, the worst in the postwar period.

Final Preparations for H-2 Rocket Launching

OW3001015894 Tokyo NHK General Television Network in Japanese 1000 GMT 28 Jan 94

[Announcer-read report over video; from "NHK News 7" program]

[Text] The final countdown has started for liftoff of Japan's next-generation H-2 rocket at Tanegashima Space Center in Kagoshima Prefecture on 1 February. The rocket is 50 meters long and 4 meters in diameter. It is a purely Japanese-made, practical large-scale rocket.

It is capable of launching a satellite of up to two tons, which is four times as heavy as past Japanese rockets. If everything goes well, the H-2 rocket will lift off four days from now—at 0700 on 1 February.

Launch of Rocket Rescheduled

OW0102012694 Tokyo KYODO in English 0114 GMT 1 Feb 94

[Text] Tanegashima, Kagoshima Pref., Feb. 1 KYODO—Japan's state-run space agency said Tuesday [1 February] it will launch the first of the country's fully domestically developed space rockets, the H-2 series, on Thursday. The National Space Development Agency (NASDA) originally scheduled the launch for Monday, but postponed it because of bad weather.

NASDA officials said the rocket would lift off between 7 AM and 9 AM from the Tanegashima Space Center on Tanegashima island, off the southernmost main island of Kyushu.

The 50-meter, two-stage vehicle is the first space rocket developed autonomously with Japanese space technology. It is capable of sending a two-ton payload into geostationary orbit.

The H-2 rocket will carry a vehicle evaluation payload satellite, which will confirm the launch performance of the H-2 as well as its compatibility with the new range of facilities at Tanegashima.

It will also carry an experimental vehicle called the orbital reentry experiment, which is part of a program to prepare a Japanese space shuttle called Hope to be launched around 2005.

North Korea

Ministry Issues Statement on Nuclear Talks

SK0102001294 Pyongyang Korean Central Broadcasting Network in Korean 1110 GMT 31 Jan 94

[Text] A spokesman for the DPRK Foreign Ministry issued the following statement on 31 January in connection with the United States overturning [twijibo opkko innun] the DPRK-U.S. agreement for the peaceful solution of the nuclear problem on the Korean peninsula.

The statement of the DPRK Foreign Ministry spokesman:

The process of the peaceful solution of the nuclear problem on the Korean peninsula now faces a grave challenge. The United States is creating a grave crisis which can lead the situation to a catastrophe [paguk] at a decisive juncture when the DPRK-U.S. talks can be rescued from a stalemate and when the prospects are opened for a package solution of the nuclear problem.

As is known, the DPRK and the United States agreed toward the end of last year that they will hold a third round of talks, that the United States will stop the Team Spirit joint military exercise for 1994, and that we will accept a limited inspection [hanjongdoen pomwiui sachal] necessary to ensure the continuity of the International Atomic Energy Agency [IAEA] safeguards on our nuclear sites, as a present measure for a package solution of the nuclear problem. Accordingly, with extraordinary patience and utmost broadmindedness within the framework of the DPRK-U.S. agreement, we have discussed with the IAEA Secretariat the scope of the inspection for ensuring the continuity of the safeguards.

However, the IAEA Secretariat intentionally ignored our special position of tentatively suspending the validation of the withdrawal [haengmugi chonpa pangji choyak taltoe hyoryok palsaengul imsi chongji sikin] from the Nuclear Nonproliferation Treaty [NPT], and foolishly attempted to realize an overall inspection [chonmyon sachal] which is comparable to returning to the treaty [choyak pokkwie manmongnun], which could be settled through the DPRK-U.S. talks in the future, rather than an inspection to ensure the continuity of the safeguards. This not only clearly contradicts the spirit of the DPRK-U.S. agreement, but also is a matter which cannot even become an object of discussion at all at this time when the U.S. nuclear threat, which brought about our withdrawal from the treaty, remains unremoved, and when the issue of the IAEA's partiality remains unresolved.

This notwithstanding, the United States, the party to the talks, instead of making efforts to correct the improper steps of the IAEA Secretariat, has completely reversed the promise on conducting inspections in order to purely guarantee the continuity of the nuclear safeguards accord. Rather, the United States is officially urging us to accept the full-scale inspections [chonmyon sachal] which the IAEA Secretariat has put forward.

Worse still, the United States has set a time limit and is assuming an ultimatum-like attitude that if we do not accept the IAEA's demand, the third round of the DPRK-U.S. talks cannot be held and it cannot but take the road to impose sanctions against the DPRK.

What is graver is that by once again bringing up the issue of conducting special inspections of two military sites which have nothing to do with our nuclear activity, the United States stands in the van of the international-pressure commotions against us. This is a brazen-faced betrayal of the party to the dialogue.

After all, it becomes clear that the fact the United States has been busy talking about the solution of the nuclear issue through talks is a delaying tactic to make a pretext to crush us and to buy time needed for this.

The United States' anti-Republic crushing maneuvers are clearly shown in a new war-provocation maneuver which has been sought in the behind-the-scenes DPRK-U.S. talks. Contrary to its repeated promise of not using armed forces, including nuclear weapons, and of not making a threat through armed forces, the United States is persistently trying to conduct a large-scale nuclear war exercise against our Republic, including the Team Spirit joint military exercise.

U.S. official circles are now saying that if the Team Spirit joint military exercise cannot be conducted, they plan to continue another joint military exercise against the DPRK and are openly raving that if the exercise cannot be held in South Korea, it should be held even in Hawaii.

We have raised the issue of discontinuing the Team Spirit joint military exercise as a major agenda in the DPRK-U.S. dialogue. This is aimed not at taking off the signboards of the military exercise but at basically removing the U.S. nuclear threat against us.

While enforcing the nuclear war exercise against the dialogue partner, the United States assumes the impudent attitude of claiming that the nuclear issue be resolved. This cannot but be a mockery of us and a negation of the dialogue itself.

In particular, what cannot be overlooked is that U.S. hard-line conservative forces are full-fledgedly hurrying to deploy Patriot missiles in South Korea as one of the attempts to gain military supremacy over us.

There is no one who believes that the United States—which employs a smile strategy as if it were interested in withdrawing the nuclear weapons at talks and which runs wild to deploy Patriot missiles against the partners behind the scenes—has the will to resolve issues. This nonetheless, the U.S. State Department spokesman's sophistry that the deployment of missiles cannot be regarded as a provocation of us can be said to be extremely brazen-faced.

The United States' reckless, new war-provocation maneuvers do not end here. The U.S. Administration dispatched the director of the Central Intelligence Agency to South Korea early in the new year and made a plot to strengthen intelligence gathering on the North. This strongly implies a full-fledged stage of the maneuvers for war preparations. It is not difficult to think that the United States will take a road to find a pretext to enter a practical military activity.

Considering the facts, it becomes obvious to everyone that the fact that the IAEA Secretariat has premeditatedly delayed negotiations with us, waited for the monitoring cameras' film and batteries to run out, and made the attempt of full-scale inspections by means of a collusive method of additional inspections [chuga sachal] is a premeditated U.S. strategy.

All facts clearly show that the United States has no will to peacefully resolve the nuclear issue on the Korean peninsula and invariably seeks its inner intention to crush our Republic through strength.

Regarding the current emergency situation [uigi sanghwang] evoked by the mean and extremely dangerous traitorous acts of the United States, the DPRK Foreign Ministry solemnly declares its position as follows:

First, in the event the United States reverses the promise made with us, we no longer are bound to the promise made with the United States [miguki uriwa han yaksokul kkunnae twijipo omnundamyon urido toisang migukkwa han yaksoge kusoktoeji anulgosida].

The promises we made with the United States include all the steps and commitments of good will, such as suspending the validation of the withdrawal from the NPT, freezing all nuclear activities, and abandoning the graphite-moderated nuclear reactor system, which we have unilaterally made for the U.S.-DPRK talks and for the peaceful solution of the nuclear problem.

Second, if the United States does not want the DPRK-U.S. talks, we are not in a position to insist on them. It is a great miscalculation [kodaran osan] if the United States thinks the DPRK-U.S. talks is any gift to us. The reason we consistently insisted on negotiations with the United States from the first stage of the emergence of the nuclear issue was to peacefully resolve the nuclear issue, not because we wanted anything from the United States.

We have lived up to now without relations with the United States, and we can and will live on ever so.

Third, in the event the United States wants to make any other choice, we will also choose the reciprocal countermeasure. [kue sangunghanun taeung pangdo] The right of choice is not only that of the big countries. The U.S.

hard-line, conservative forces should take all responsibility for the catastrophic situation that could come about. The South Korean authorities, who are thoughtlessly following this, can never be free from this responsibility.

[Dated] 31 January, 1994, Pyongyang

KCNA Carries 31 Jan Statement

SK0102045094 Pyongyang KCNA in English 0431 GMT 1 Feb 94

["United States Must Be Held Totally Responsible for Catastrophic Consequences Arising From its Perfidy"—KCNA headline]

[Text] Pyongyang, January 31 (KCNA)—A spokesman for the Foreign Ministry of the DPRK made public a statement today in connection with the fact that the United States is reversing the agreement between the DPRK and the United States for a peaceful solution to the nuclear issue of the Korean peninsula.

The statement reads in full:

The process of a peaceful resolution of the nuclear issue on the Korean peninsula has recently run up against a grave challenge.

The United States has created a momentous crisis that is likely to develop into catastrophe, at this crucial juncture when prospects are in sight for saving the DPRK-USA talks from the current deadlock and striking a package solution to the nuclear issue.

As is already known, toward the end of the last year the Democratic People's Republic of Korea and the United States agreed on the immediate future measures aimed at holding a third round of the DPRK-USA talks and reaching a package solution to the nuclear issue, under which the United States will cancel its "Team Spirit" joint military exercises for 1994 and the DPRK will accept inspection of limited scope on its nuclear facilities required to ensure the continuity of the safeguards by the International Atomic Energy Agency (IAEA).

Accordingly, it is within the framework of the DPRK-USA agreement and with our extraordinary patience and maximum tolerance that we have so far discussed with the IAEA Secretariat the scope of the inspection intended to provide the continuity of the safeguards.

The IAEA Secretariat, however, has deliberately ignored the unique status of the DPRK, which set moratorium on its declared withdrawal from the treaty on the nonproliferation of nuclear weapons, and tried stupidly to force full-scope inspections equivalent to the DPRK's de facto return to the treaty, inspections on which the DPRK and the United States could reach an accord at their future talks, instead of the inspection designed for the continuity of the safeguards. The demand for full-scope inspection clearly goes against the spirit of the DPRK-USA agreement and it is absolutely beyond discussion at all at this point of time when the U.S. nuclear threat remains yet to be removed, the IAEA's partiality and injustice remain yet to be redressed—factors that have triggered off the DPRK's withdrawal from the treaty.

This notwithstanding, the United States, a party to the DPRK-USA talks, has never tried to help straighten out the IAEA Secretariat's misconduct but completely reversed the bilateral agreement on the inspection designed exclusively for the continuity of the safeguards and officially urged the DPRK to accept the demand of the IAEA Secretariat for the full-scope inspections.

The United States has gone the length of imposing a deadline for this and issued an ultimatum that it will not agree to hold a third round of the DPRK-USA talks but seek "sanctions", unless the DPRK accepts the IAEA's demand.

What should be noted seriously is that the United States has again broached the "special inspection" of the DPRK's two military sites, which have no relevance at all to its nuclear activities, and taken the lead in the ruckus for international pressure on the DPRK. This is a shameless perfidy against the other party to the dialogue. All the facts clearly prove that the so far stated U.S. preference for a negotiated resolution of the issue and its busy come-and-go are, in the final analysis, simply a stratagem aimed at devising a pretense for strangling the DPRK and at stalling for time needed to this end.

The U.S. machinations of strangling the DPRK have been proven self-evidently by the new war manoeuvres the United States has been pursuing behind the screen of the DPRK-USA talks.

In violation of its repeated commitment to the principle of assurances against the threat and use of force, including nuclear weapons, the United States plans to defiantly go ahead with its large-scale nuclear war exercises against the DPRK, including the "Team Spirit" joint military exercises.

U.S. officials say that they plan to continue other joint military exercises if they cannot conduct the "Team Spirit" joint military exercises now, and they even say openly that these exercises should be held in Hawaii, if not in South Korea.

When we proposed the U.S. cancellation of the "Team Spirit" joint military exercises as a major agenda for the DPRK-USA talks, our objective was to eliminate the U.S. nuclear threat against the DPRK once and for all, not just to dename the military exercises.

The arrogant U.S. posture for "resolving" the nuclear issue with its nuclear war exercises going on against the other party to the dialogue is a mockery against the DPRK and negation of the dialogue itself.

What we cannot overlook is the fact that the U.S. hardline and conservative forces are pressing ahead on a full scale with the deployment of the "Patriot" missiles in South Korea, as part of their attempts to overpower the DPRK militarily. Nobody in the world will believe that the United States has the intention to resolve the issue, as the United States launches smile diplomacy at the negotiating table, as if it were interested in the withdrawal of its nuclear weapons, while frantically engaged in the deployment of its missiles to be trained on the other dialogue party from behind the scenes.

This notwithstanding, the U.S. State Department spokesman's sophistry that the deployment of the U.S. missiles can in no way be considered provocative to the DPRK is really the height of impudence.

The U.S. reckless new war machinations do not stop here.

The U.S. Administration sent the director of the Central Intelligence Agency to South Korea in the early days of the new year for a huddle on the "greater intelligence activities vis-a-vis North Korea," a strong indication of the full-scale stage of the war preparations.

It is not difficult now to guess that the United States will move to contrive pretexts for a shift to real military actions.

In the light of this, it has become clear to anyone that the IAEA Secretariat has intentionally delayed consultations with the DPRK, until the films and batteries of the surveillance cameras installed at the DPRK's nuclear facilities will have run out, and now begun attempting full-scope inspections in an intriguing manner, and that these moves have been made in pursuit of the calculated stratagem of the United States.

All the facts clearly show that the United States has no intention at all to resolve the nuclear issue on the Korean peninsula peacefully but still remains unchanged as ever in its ulterior objectives to strangle the DPRK by force at any cost.

With regard to the current crisis due to the despicable and dangerous actions of perfidy on the part of the United States, the Ministry of Foreign Affairs of the Democratic People's Republic of Korea solemnly declares its position as follows:

First, if the United States defiantly goes ahead and reverses the promise it has made to the DPRK, the DPRK will no longer be bound by the promise it has made to the United States.

The DPRK's promise to the United States includes all the goodwill measures and commitments it has taken so far unilaterally for the continued DPRK-USA talks and for a peaceful resolution of the nuclear issue, such as the suspension of the effectuation of its announced withdrawal from the treaty on the non-proliferation of nuclear weapons, the freeze of all the nuclear activities, and the declared intention to renounce the graphite-moderated reactor system.

Second, if the United States has no intention to hold any further round of talks, the DPRK, too, will have no intention to do so.

It will be a gross miscalculation, if the United States considers the DPRK-USA talks as an offering to the DPRK.

The DPRK has consistently called for negotiations with the United States since the first days of the origination of the nuclear issue, in order to peacefully resolve the issue, not to seek any benefit from the United States.

We have so far lived on our own without any relations with the United States, we can live well on our own in the future, too, and we have become constitutionally adapted to such life.

Third, if the United States decides to take other options, we will also take our own countermeasures.

In no way does the right of choice belong to big countries only.

The U.S. hardliners and conservatives must be held totally responsible for the catastrophic consequences arising therefrom, and the South Korean authorities, indiscreetly following their lead, can never extricate themselves from this responsibility.

Foreign Ministry Spokesman on Radio Free Asia

SK0102080994 Pyongyang Korean Central Broadcasting Network in Korean 0708 GMT 1 Feb 94

[Text] A spokesman for the DPRK Foreign Ministry on 1 February gave the following answer to the question raised by a reporter from the Korean Central Broadcasting Committee in connection with the recent passage of a bill by the U.S. Senate on the initiation of Radio Free Asia. The passage of the bill on 25 January by the U.S. Senate on the initiation of Radio Free Asia is a criminal act of interfering in the internal affairs of and of hostility against our country and other Asian countries.

The true intention of the United States in initiating Radio Free Asia is to infuse the so-called U.S.-style democratic values and the toxin of bourgeois ideology into our country and other Asian countries in order to crush [apsal] socialism in this region and demolish the independent governments there from within. The United States was able to use this machination and propaganda effectively to demolish from within the former socialist countries in another region in the past and to have them return to capitalism, but it is far from workable with our country.

We have the chuche idea, the great guiding ideology of the era of independence, the spirit of independence, and our-style way of life; and our people regard the chuche socialism, in which the leader, the party, and the masses are wholeheartedly united, as their life and lifeline.

The United States should immediately stop the game of initiating Radio Free Asia, a propaganda and machination organization with a hostile aim against our country and other Asian countries.

If the United States initiates Radio Free Asia despite the consistent opposition and rejection of the people of Asian countries, it will gain nothing from it. The Asian people, including our people, will resolutely confront [tanhohi masso nagalkkosida] the U.S.-conducted cold war against Asia by steadfastly implementing an independent policy to reject Yankee culture and to protect Asian tradition, culture, and consciousness.

KCNA on Ministry Statement

SK0102114594 Pyongyang KCNA in English 1052 GMT 1 Feb 94

["FM Spokesman Urges Withdrawal of 'Radio Free Asia' Project"—KCNA headline]

[Text] Pyongyang, February 1 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by the DPRK Radio and TV Broadcasting Committee today with regard to the "Radio Free Asia" bill carried at the U.S. Senate recently.

He said:

The U.S. Senate passed the bill of "Radio Free Asia" on January 25. This is an interference in the internal affairs of the DPRK and other Asian countries and a criminal act against them.

What the United States really seeks in setting up the radio is to imbue the DPRK and other Asian countries with the "view of the value of American-style democracy" and the poison of bourgeois ideology, thus stifling socialism in this region and destroying the independent governments from within.

The United States could profit by such false propaganda in disintegrating socialist countries in other regions from within and bringing them back to capitalism. But such a propaganda cannot work on the DPRK.

We have the chuche idea, the great guiding idea of the era of independence, the independent spirit and our-style way of life. The Korean people regard as their life and blood socialism of chuche in which the leader, the party and the masses are united in one mind.

The United States must promptly renounce the plan to set up "Radio Free Asia," a tool of vile propaganda against the DPRK and other Asian countries.

Even if the United States started the broadcast in defiance of the unanimous opposition of the Asian people, it would get nothing from it.

The Asian people including the Korean people will determinedly meet the U.S. "cold war" in Asia with the steadfast independent policy of rejecting "Yankee culture" and defending Asian traditions, culture and consciousness.

Further on Visit by U.S. Religious Delegation

Graham, Delegation Visit Mangyongdae

SK2901112294 Pyongyang KCNA in English 1049 GMT 29 Jan 94

[Text] Pyongyang, January 29 (KCNA)—Visiting U.S. religious leader Rev. Billy Graham and his party Friday visited Mangyongdae, the home village of the great leader President Kim Il-song.

The guests saw with keen interest mementos hearing immortal stories about the historic old home.

Concluding the visit, the pastor said President Kim Il-song was born into a poor family and grew up, cultivating his strength and courage.

The guests posed for a souvenir picture in front of the old home.

They also visited Kim Il-song University Friday.

While going round the revolutionary museum of the university, they were told that the dear leader Comrade Kim Chong-il strengthened the university into a chuche-based centre of native cadre training with his outstanding idea, theory and activity.

Then, the guests had a talk with teachers and students of the university.

Rev. Billy Graham told them that the visit deeply impressed him and that the university is a good place.

The guests visited the Three Revolution Exhibition Saturday.

Earlier, they met with officials of the C.C. [Central Committee], the Korean Christians Federation.

Graham, Delegation Depart 1 Feb

SK0102115494 Pyongyang KCNA in English 1055 GMT 1 Feb 94

[Text] Pyongyang, February 1 (KCNA)—U.S. religious leader Rev. Billy Graham and his party left here Tuesday, concluding their six-day visit to the Democratic People's Republic of Korea.

While staying in Pyongyang the pastor and his party visited different places.

After going round the Chilgol revolutionary site, the pastor said he was deeply moved by visiting Chilgol after reading the great President Kim Il-song's reminiscences.

The guests met with officials of the Central Committee of the Korean Roman Catholics Association and attended divine service at the Chilgol Church.

They inspected the tower of the chuche idea.

After the inspection the pastor wrote in the visitor's book that the tower of the chuche idea graphically represented the philosophical idea of the great President Kim Il-song and was very inspiring.

The guests were shown round the Korean folklore museum and the Mangyongdae School Children's Palace.

Rev. Billy Graham hosted a party Monday evening upon the conclusion of his Korean visit.

Return of Soldiers 'Abducted' by South Reported

SK0102141894 Pyongyang Korean Central Broadcasting Network in Korean 1305 GMT 1 Feb 94

[Text] Our men whose boat had been shipwrecked on the West Sea and who had been detained by the South Korean puppets returned home.

Corporal Kim Chol-chin and Private First Class Kim Kyong-chol of the Korean People's Security Forces have returned to the bosom of the socialist fatherland through Panmunjom today. They had their boat shipwrecked on the West Sea off Tungsangot in an unexpected accident on 26 January. Drifting toward the South, they were abducted by the enemy.

The South Korean puppets, instead of (?immediately) returning our men whom they took away with them, detained them, and attempted to have them defect with all sorts of appeasement and deception, but failed to bend the revolutionary fidelity and will of the soldiers who had been brought up in the bosom of our comrade supreme commander to be one-a-match-for-a hundred soldiers.

Unable to resist the stubborn protest of the detained soldiers and our side's repeated demand, they had to return them to the northern half of the Republic.

According to the final agreement between the secretaries of the two sides of the Military Armistice Commission, the soldiers of the Korean People's Security Forces who fought among the enemies sustaining the revolutionary faith came to the bosom of the socialist fatherland crossing the Military Demarcation Line proudly in military uniform at 1510 today. They reported in high spirits to a Korean People's Army major general who came to Panmunjom to greet them on their return to the bosom of comrade supreme commander, and cried out, "Long live our supreme commander Comrade Kim Chong-il."

At Panmunjom, the soldiers of the People's Army and the working people of Kaesong warmly greeted them, offering them bundles of flowers and hanging flower garlands on them. Then a news conference was held at Tongilgak. They exposed that the South Korean puppets employed all sorts of maneuvers to have them defect. They said that they were able to return to the bosom of the socialist fatherland thanks to our comrade supreme commander and that they will become loyalists and dutiful children protecting and defending comrade supreme commander by making themselves guns and bombs.

200 Cases of 'Air Espionage' Against North

SK3001085694 Pyongyang KCNA in English 0831 GMT 30 Jan 94

[Text] Pyongyang, January 30 (KCNA)—The U.S. imperialists continuously conducted air espionage against the North in January, military sources said.

The U.S. "U-2" high altitude strategic reconnaissance plane, "RC-135" strategic reconnaissance plane, "E-3" AWACs and other tactical reconnaissance planes conducted air espionage against the North on more than 200 occasions in January alone.

Radio Denounces 'War Exercises' in South

SK2901125194 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 28 Jan 94

[Text] According to report on Cheil [KBS-1 Radio Network] Radio in Seoul, troops from the puppet Capital Defense Command on 27 January staged war exercises three times during the day and night by blindly firing rifles in the area around Mt. Umyong in Seoul. Because of war exercise commotions, residents in Socho-ku and Kwanak-ku in Seoul, and in Kwachon City, were terror-stricken all day.

On 21 January, troops from the puppet Capital Defense Command also staged a war exercise by blindly firing rifles in areas around Socho-ku, Seoul, thus arousing a protest from the residents.

The war exercise commotions staged every day by the South Korean puppet clique, which is advertising itself as a civilian government, outdistances the war frenzy of successive military fascist dictators. Such commotions are part of desperate maneuvers designed to divert the attention of the people, who are filled with complaints against the incumbent regime.

The South Korean people will never tolerate the maneuvers of the civilian warmongers who are attempting to evade the crisis in their rule by war exercise commotions.

Daily Calls Kim Yong-sam 'Political Hooligan'

SK2901044994 Pyongyang KCNA in English 0416 GMT 29 Jan 94

["'Civilian' Dictatorship Brandishing Sword at Ideology"—KCNA headline]

[Text] Pyongyang, January 29 (KCNA)—NODONG SINMUN today comments on the brutal suppression of the followers of the chuche idea by the South Korean fascist clique these days. Declaring that ideology can never be bound in chain, the analyst says:

Some time ago, the puppet Kwangju District Court passed prison terms on five students of Chonnam National University who had studied the chuche idea.

Kim Yong-sam, who ruthlessly tramples upon the freedom of the choice of ideology and quest of truth, while advertising "civilian politics," is a political hooligan and tyrant not different in the least from the preceding military dictators.

His group is trying to keep off the attraction of the great chuche idea and incite North-South confrontation, resorting to bayonet. But it is a foolish act.

The more frantic Kim Yong-sam gets in brandishing the bayonet, the stronger the resistance of the people will grow and the clearer it will reveal to the world its ignorance and incompetency as a ruler without a philosophy worthy of being followed by the people.

The puppets must guarantee the people the freedom of choice of ideology and the quest of truth and release the illegally arrested students.

Premier Kang Sends Message to Indian Counterpart

SK2901234194 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 26 Jan 94

[Text] Administration Council Premier Comrade Kang Song-san has sent a congratulatory message to Indian Prime Minister P.V. Narasimha Rao. The congratulatory message sends enthusiastic congratulations on the Republic of India's national day. It expresses the true hope that there will be greater results in his work for the country's independent development and prosperity, and emphasizes the firm belief that the friendly and cooperative relations between the two countries will be all the more strengthened and developed.

Foreign Minister Greets Libyan Official

SK3001095294 Pyongyang KCNA in English 0852 GMT 30 Jan 94

[Text] Pyongyang, January 30 (KCNA)—Foreign Minister Kim Yong-nam exchanged messages of greetings with 'Umar Mustafa al-Muntasir, secretary of the General People's Committee for Foreign Liaison and International Cooperation, on the occasion of the 20th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the great Socialist People's Libyan Arab Jamahiriya.

In the message Kim Yong-nam said that after the establishment of diplomatic relations the two countries have supported and cooperated with each other in struggle for independence against imperialism over the last 20 years. The message expressed belief that the bonds of friendship and solidarity between the two countries would grow stronger and develop.

In the message the Libyan secretary said with pleasure that the bilateral relations between the two countries have steadily strengthened and developed in the deep interests of the leaders of the two countries over the last 20 years.

Foreign Minister Greets Norwegian Counterpart

SK3001095794 Pyongyang KCNA in English 0855 GMT 30 Jan 94

[Text] Pyongyang, January 30 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Bjorn Tore Godal on his appointment as foreign minister of Norway.

Believing that the relations between the two countries will continue to develop in the idea of independence, peace and friendship, the message wishes him success in his responsible work.

Bhutto Receives DPRK Envoy; Comments on Succession

SK3001085094 Pyongyang KCNA in English 0825 GMT 30 Jan 94

[Text] Pyongyang, January 30 (KCNA)—Pakistani Prime Minister Benazir Bhutto mentioned the friendly relations between Pakistan and Korea when she received DPRK ambassador to her country on Jan. 25.

She said the friendly relations between the two countries were established by his excellency the great leader President Kim Il-song and the late Prime Minister Zulfiqar Ali Bhutto and are growing in strength today.

The DPRK has wrought amazing miracles in different sectors of the national economy under the wise guidance of his excellency the great leader President Kim Il-song, she said.

To have his excellency respected Kim Chong-il as the successor to the revolutionary cause pioneered by his excellency the great leader President Kim Il-song and as the dear leader is a firm guarantee for more solid political stability and eternal prosperity of the Democratic People's Republic of Korea, she said.

She told the ambassador that the Pakistani Government would strengthen and further develop friendly relations with the DPRK in political, economic, cultural and all other fields.

Kazakhstan Leaders Hold Lecture on Kim Chong-il

SK2901104794 Pyongyang KCNA in English 1009 GMT 29 Jan 94

[Text] Pyongyang, January 29 (KCNA)—Political figures of Kazakhstan elaborated on the singlehearted unity of Korea at a lecture on the subject "paternal love and solicitude shown by dear Comrade Kim Chong-il for the Korean young people" and a Korean film show which were held in Kazakhstan on January 14 and 15.

Antonov, secretary of the Political Executive Committee of the Socialist Party of Kazakhstan, said the secret to the invariable defence and advance of the idea of socialism in Korea under the complicated international situation lies in the singlehearted unity of the entire people under the wise guidance of the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il.

V.I. Ran, secretary of the Political Executive Committee of the Aktyubinsk Regional Committee of the Party, noted that support and trust of the Korean people for their leaders is immense, indeed. "No one can break the crystal- like singlehearted unity of Korea" he said, adding: "In Korea the question of carrying forward the revolutionary cause of the leader has been successfully solved and education of the young people has reached the highest level beyond imagination".

Co-chairman of the party A. Alimjanov said: "Only the rich monopolize arts and scenic spots in many countries. But in Korea all people take part in the creation of arts and enjoy holidays at scenic spots. This is the reality which can be seen only in Korea where the people revere their leaders as fathers."

Foreign Party Leaders Greet Kim Il-song

SK2901044394 Pyongyang KCNA in English 0411 GMT 29 Jan 94

[Text] Pyongyang, January 29 (KCNA)—The great leader President Kim Il-song received from party leaders of different countries messages supporting his New Year address.

General Secretary Renan Raffo Munoz and International Secretary Guillermo Herrera Montecinos of the Central Committee of the Peruvian Communist Party in their message said that the Political Committee of the Central Committee of their party adopted a decision fully supporting the New Year address.

They said 1993 was a historic year in which the Democratic People's Republic of Korea won victory in the political and military confrontation with the enemy, pushed ahead with socialist economic construction, and made strenuous efforts for the reunification of the country on the principle of independence, peaceful reunification and great national unity, thus proving the validity of the revolutionary line of the Workers' Party of Korea.

Madhav Kumar Nepal, general secretary of the Central Committee of the Nepal Communist Party (United Marxism-Leninism), in his message said that his party and all the progressive people of Nepal fully support the Korean people's just cause of the reunification of divided Korea and the solution of the nuclear issue on the Korean peninsula. "We hold that the United Nations should adopt an impartial and correct policy for peace and security on the Korean peninsula," he urged.

National General Secretary of the Socialist Political Action Party of Peru Gustavo Mohme Ryona, President of the National Executive Committee of the Left Revolutionary Union of Peru Angel Castro Lavarello and General Secretary of the People's Unity Party of Tunisia Mohamed Bel Hadj Amor in their messages expressed full support to the principled stand for the independent and peaceful reunification of Korea and the stand for a durable peace on the Korean peninsula which was put forward by President Kim Il-song in his New Year address.

Kim Il-song's New Year Address Reported Abroad

SK2901104894 Pyongyang KCNA in English 1005 GMT 29 Jan 94

[Text] Pyongyang, January 29 (KCNA)—The New Year address of the great leader President Kim Il-song was reported by the British paper NEW WORLD, the Romanian paper NATIUNEA, the Brazilean paper A CLASE OPERARIA and Radio Citta Aperta of Italy.

Seminars on the New Year address were held by the group for the study of the chuche idea of the Commercial College of Uganda, the group for the study of the chuche idea of teachers of the Chambogo Polytechnical College of Uganda, the Makonde group for the study of the chuche idea in Chinhoyi, Zimbabwe, and the chuche idea study group of the Voluntary Work Camps' Association of Nigeria.

The speakers quoted President Kim Il-song as saying in his New Year address that last year the Korean people foiled the enemy's challenge and aggressive moves and honorably defended the dignity and security of their socialist motherland, thus fully demonstrating the unbreakable spirit of chuche Korea, that this was a victory of the revolutionary line of the Workers' Party of Korea and a great victory of the single-hearted unity of the leader, the party and the masses.

They said however desperately the imperialists may attempt to destroy the socialist system of Korea, it is a mistake and stressed that the just cause of the Korean people is invincible.

A reading session and a lecture on the New Year address were held at the cultural centre of Egypt.

WPK Greets Italy's Communist Reformative Party

SK3001095494 Pyongyang KCNA in English 0853 GMT 30 Jan 94

[Text] Pyongyang, January 30 (KCNA)—The Central Committee of the Workers' Party of Korea sent a message of greetings to Armando Kossuta on his reelection as chairman of the Communist Reformative Party of Italy.

The message expressed the belief that the friendly and cooperative relations forged between the two parties would continue to develop on good terms and wished the chairman greater success in his responsible work to defend socialism and strengthen and develop the party.

WPK Greets Head of Liberal Party of Honduras

SK2901044694 Pyongyang KCNA in English 0413 GMT 29 Jan 94

[Text] Pyongyang, January 29 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] on January 27 sent a message of greetings to Jorge Arturo Reina, general secretary of the Central Executive Council of the Liberal Party of Honduras, on the victory of his party in the presidential election.

Expressing the belief that the friendly relations between the two parties would develop favorably in conformity with the idea of independence, peace and friendship, the message wished the Liberal Party of Honduras success in the work for social justice and consolidation of democracy in the country and the general secretary good health.

Anniversary of Equatorial Guinea Ties Marked

SK3001095194 Pyongyang KCNA in English 0858 GMT 30 Jan 94

[Text] Pyongyang, January 30 (KCNA)—Papers here today observe the 25th anniversary of the opening of diplomatic relations between Korea and Equatorial Guinea.

The Equatorial Guinean people are now striving for national unity, social stability and economic redressment, rejecting imperialists' intervention, says NODONG SINMUN in a by-lined article, and goes on:

The Government of Equatorial Guinea maintains the principle of solving its problems by its people's efforts.

The Korean people rejoice at successes made by the Equatorial Guinean people in the building of a new life.

To strengthen and develop the Korea-Equatorial Guinea friendship is beneficial to the building of a new society in the two countries.

A signed article of MINJU CHOSON says that the Korean people wish the Equatorial Guinean people greater success in their struggle to build an independent new Equatorial Guinea, believing that the friendly and cooperative relations between the two peoples will grow stronger and develop in the future.

Papers Observe Anniversary of Ties With Gabon

SK2901045194 Pyongyang KCNA in English 0419 GMT 29 Jan 94

["Korea-Gabon Diplomatic Ties 20 Years Old"—KCNA headline]

[Text] Pyongyang, January 29 (KCNA)—Papers here today observe the 20th anniversary of the opening of diplomatic relations between Korea and Gabon.

The friendly and cooperative relations between the Korean and Gabonese peoples have developed on good terms over the last 20 years, says NODONG SINMUN in a by-lined article, and goes on:

The Gabonese people are striving to clear away the consequences of the colonial rule and build a new society.

The Korean people actively support the Gabonese people in their efforts to achieve the prosperity of the country and wish them success in their work. The Korean people will as ever make efforts to develop the friendly and cooperative relations with the Gabonese people in conformity with the idea of independence, peace and friendship.

A signed article of MINJU CHOSON says that the Korean people wish the Gabonese people greater advance in their work to achieve national unity and build a new prosperous Gabon.

Kim Chong-il To Remain 'Crown Prince'

OW0102072594 Tokyo KYODO in English 0717 GMT 1 Feb 94

[Text] Beijing, Feb. 1 KYODO—The son of North Korean President Kim Il-song, now managing the impoverished country's domestic affairs, will not take over all his father's powers while the elder Kim is living, a source in Beijing said Tuesday [1 February].

"There will be no final transfer of power to Kim Chong-il as long as Kim Il-song lives," the president's younger brother, Kim Yong-chu, reportedly said, according to an East European source. The source also said the youngest Kim will remain a "crown prince" until his father's death. Such a scenario contradicts predictions by foreign watchers who believe that Kim Chong-il, also chairman of the National Defense Commission, will soon take over his 82-year-old father's duties as president and general secretary of the Korean Workers' Party.

Kim Yong-chu, however, confirmed that the youngest Kim is already handling all domestic affairs while his father remains responsible for foreign policy decisions, the source said. According to the source, Kim Yong-chu, 72, made the statements in a surprisingly open conversation with a Third World diplomat in Pyongyang last week, where he denied "any differences" between himself and Kim Chong-il.

Disputing rumors that he poses a threat to the "model of succession," Kim Yong-chu said he "firmly supports the dear leader Kim Chong-il" and denounced speculation that China, North Korea's strongest ally, would prefer to see him instead of Kim Chong-il as future leader of North Korea. Kim Yong-chu, who was appointed a member of the Central Committee of the Politburo of the party and vice president last December after nearly 17 years out of the public eye, has been the center of rumors concerning North Korea's future leadership.

During the hour-long conversation, Kim Yong-chu did not explain his political decline during the 1970s, which, according to official versions, was due to a "serious illness," the source said.

Kim Chong-il Sends Birthday Table to Composer

SK2901110594 Pyongyang KCNA in English 1036 GMT 29 Jan 94

[Text] Pyongyang, January 29 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], sent a sixtieth birthday table to merited artiste Chong Tu-myong, a composer of the military band of the Supreme Command of the KPA.

When Seoul was liberated by the People's Army in the period of the fatherland liberation war, Chong, a middle school student, joined the People's Army in September 1950 and fought bravely before being called to the military band of the Supreme Command.

He became a composer after graduating from a university. Over the last 20 odd years he has composed the welcome music (a band music) for major political functions, and hundreds of pieces of band music, light music and instrumental concert.

Upon receiving the sixtieth birthday table and order of the National Flag First Class amid the blessings of his comrades-in-arms Friday, Chong Tu-myong said: "I feel the urge to go to the South with this table and loudly tell my parents, brothers and sisters and South Korean people that this is a clear token of the noble love and politics of trust of our dear leader Comrade Kim Chong-il for the revolutionary soldiers."

Radio Urges Industrialization of Agriculture

SK0102034894 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 29 Jan 94

[From the "Ray of Chuche" program: "Industrializing Agriculture Is an Indispensable Task To Ultimately Resolve the Rural Question"]

[Text] Industrializing agriculture is one of the fundamental questions in building socialist rural areas and is an indispensable task to ultimately resolving the rural question.

The great leader Comrade Kim Il-song has taught: We must also vigorously accelerate the technological revolution in rural areas and, thus, industrialize agriculture.

Industrializing agriculture entails implementing a set of modern technological processes and carrying out tasks to build irrigation systems, use electric equipment and chemical fertilizers in farming, and mechanize farm work.

If we industrialize agriculture, we can develop the rural economy into a large-scale economy based on modern machinery and technology and rapidly increase agricultural production; remove differences in agricultural labor and industrial labor; and liberate peasants from heavy labor.

Industrializing agriculture is an indispensable task to ultimately resolve the rural question. First, because this can meet material preconditions for resolving the rural question. As the "Theses on the Socialist Rural Question" points out, a slow increase in agriculture's productive forces is an important factor that gives rise to backwardness in rural areas compared to urban areas.

A socialist society is an advanced society based on superior socialist relations in production and a high material and technological base. If we are to consolidate the socialist system and fully display its superiority, we must continuously expand and strengthen socialist relations in production and improve the material and technological base to a high level required under socialism.

A victory of the socialist revolution in urban and rural areas makes it possible for socialist relations in production to prevail dominantly in rural areas. A high material and technological base that can highly display the superiority of the socialist system does not automatically result from a victory in the socialist revolution. If we are to further consolidate the established socialist rural economic system, fully display its superiority, and achieve a complete victory of socialism, we must continuously develop the technological revolution on a higher level and build a strong material and technological base of the rural economy, even when the socialist system has been established.

Industrializing agriculture is a fundamental way to build a strong material and technological base of agriculture to comply with the innate demands of the socialist rural economic system. Industrializing agriculture continuously makes it possible to carry out the technological revolution, equip the rural economy with modern machinery and technology, widely apply the latest achievements of agricultural science to farming, and, thus build a strong material and technological base of the rural economy and eliminate the slow increase in agriculture's productive forces compared to the industrial sector.

Today, our country has vigorously carried out the rural technological revolution under the party's wise leadership, and, as a result, peasants are farming using science and technology and working more easily and joyfully.

The work to build irrigation systems and use electric equipment in farming has already been completed, the work to comprehensively mechanize farm work and use chemical fertilizers in farming has been implemented on a high level, and the chuche farming method has been implemented. As a result, agricultural production is being developed rapidly based on modern science and technology.

Agricultural productive forces have improved to the level of those of the industrial sector, and the gap between industrial labor and agricultural labor is being narrowed significantly. These achievements are a material basis for ultimately resolving the rural question.

Second, industrializing agriculture is an indispensable task because this will quickly fulfill ideological requirements for resolving the rural question. The ideological reform of people is closely related to the material basis. People's ideology and will are affected by the material conditions of society to a certain extent. Labor activities are a basic sphere of people's lives. Eliminating the fundamental difference between peasants' labor activities and those of workers in other fields and liberating peasants from heavy labor will make peasants lead more independent and creative lives and endlessly demonstrate their positive creativity and revolutionary ardor.

When peasants are liberated from heavy labor and their lives become more independent and creative, they will more positively play their role of masters in rural construction and vigorously accelerate socialist rural construction.

When agriculture is industrialized, all processes in agricultural production will completely become technological processes, just like in industrial production. This is a favorable development that can change peasants' working conditions and their lives and more rapidly reform their idea and will into the working class' advanced ideology.

Consequently, industrializing agriculture plays an important role in promoting an environment for resolving the rural question. In this way, industrializing agriculture strengthens a material and technological basis in rural areas, eliminates a gap between increases in agriculture's productive forces and increases in the industrial sector's productive forces, and, consequently, plays an important role in ultimately resolving the rural question.

We must vigorously carry out the technological revolution in rural areas and, thus, consolidate the previous achievements and complete the industrialization of agriculture.

Radio Stresses Economic Organizational Work

SK0102020194 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 30 Jan 94

[From the "Ray of Chuche" program: "Properly Conducting Economic Organizational Work and Inspiring the Masses' Enthusiasm Are Important Methods To Carrying Out Economic Tasks"]

[Text] All the people across the country are upholding the militant tasks presented by the great leader Comrade Kim Il-song in his New Year's address and waging a vigorous struggle to implement them. The great leader also completely set forth the execution methods when he presented the militant tasks of this year for the socialist economic construction sector in his New Year's address.

The great leader Comrade Kim Il-song has taught: All economic guiding functionaries should overfulfill this year's people's economic plan by properly conducting the economic organizational work and production control in conformity with the demand of the party's economic strategy, and by highly demonstrating the masses' revolutionary enthusiasm and creative positiveness.

Properly conducting economic organizational work and highly demonstrating the masses' revolutionary enthusiasm and creative positiveness with high responsibility are important methods for the economic guiding functionaries to overfulfill this year's people's economic plan.

This year we face formidable tasks of economic construction. This year, as has been decided by the 21st plenary session of the party's Sixth Central Committee, we should implement the agriculture-first, light industry-first, and trade-first policy, push ahead with the coal and electricity industries and railroad transportation, which are leading sectors of the people's economy, and continue to develop the metal industry.

To achieve the enormous task we are facing, economic guiding functionaries should first properly conduct economic organizational work. To properly conduct economic organizational work, one needs to scientifically, rationally, and concretely conduct all economic work down to the last detail, and this includes drawing up plans, and organizing and guaranteeing production.

To properly conduct economic organizational work is a demand which evolved from the essential character of socialist society. A socialist society is a highly organized society where everything is organically in gear with each other. For a long time, the socialist economy has been tightly linked between sectors, production units, and parts of the people's economy that move together and develop according to plan. Therefore, socialist economy cannot advance a single step if it is not organized and economic and technical conditions are not sufficiently guaranteed for the production masses to carry out economic tasks well.

Furthermore, under practical conditions in which the volume of socialist economy is growing incomparably and developing rapidly, only when all the economic organizational works, including economic management and production organization, are properly conducted down to the last detail can socialist economy be scientifically and rationally managed and operated so as to highly demonstrate the superiority of the socialist economic system.

Properly conducting economic organizational work is also an immediate demand to mobilize and use all inner reserves without any waste. To discover all inner reserves and make the most of them is a firm method to successfully carry out the tasks of socialist economic construction that we face this year.

Inner reserves exist in diverse form in various sectors of the people's economy and they grow as socialist construction progresses. However, inner reserves are not easily detected. They can only be unsparingly detected and used to the maximum in production and construction through the functionaries' keen economic organizational works. In other words, the production potential and inner reserves can be mobilized and used to the maximum only when the economic guiding functionaries conduct the management of enterprises and production activities more scientifically and rationally, and actively organize the works for detailed balance and guarantee linkage between economic sectors, production units, parts, and elements.

Therefore, the firm guarantee for more successfully carrying out this year's economic task of forecasting massive efforts and consumption of materials lies in properly conducting the economic organizational works.

As the great leader Comrade Kim Il-song made clear in his New Year address, it is one of the important methods in successfully carrying out this year's people's economic plan for economic guidance for functionaries to highly demonstrate the masses' revolutionary enthusiasm and creative positiveness.

The production masses are the masters who are directly in charge of production. Without the production masses, production cannot be done and economic construction cannot progress by any means. However, even with the production masses, production does not come automatically and socialist economy does not progress at a high speed.

It is ideological consciousness that regulates all kinds of people's acts. The economy can speedily progress when the production masses are firmly armed with revolutionary ideology and manifest all kinds of creativity and innovation. The work to demonstrate the revolutionary enthusiasm and creative positiveness of the production masses should become the first step of all the works.

When all the functionaries firmly adhere to our party's ideological theory before executing any work and freshly carry out the political works and the works with the people to inspire the production masses's ideology in various forms and methods, they will achieve economic tasks given to their respective sectors and positions displaying revolutionary enthusiasm and creative positiveness.

When the political work to inspire the masses' ideology is vigorously carried out, the spirit of collectivism will be highly displayed in the implementation of economic tasks, so that collective innovations will be achieved one after another and economic management will be carried out based on the principles of collectivism.

Our party's revolutionary economic strategy presented at the 21st plenary session of the party's Sixth Central Committee is a revolutionary economic construction policy which reflects our party's idea to further display the superiority of our socialism and strengthen the great might of our socialist self-reliant national economy by enhancing the people's living remarkably in the near future through a new upsurge in economic construction.

All the economic guiding functionaries should properly conduct the economic organizational work in conformity with the demand of our party's economic strategy and overfulfill this year's people's economic plan by always being deeply involved with the masses, sleeping and eating together with them so as to vigorously carry out political tasks.

Output of Export Goods Reportedly Increasing

SK2801232994 Pyongyang KCNA in English 1504 GMT 28 Jan 94

[Text] Pyongyang, January (KCNA)—Output of export goods is increasing in Korea.

The Unha combined general bureau on trade, with a goal of quadrupling the export volume this year as against last year, is improving the quality of processing and introducing diverse embroidered patterns catering to the tastes of the customers while remodeling the equipment of the factories under it.

The Tongdaewon garment factory has taken a long stride in equipping itself with complete sets of up-to-date facilities capable of producing 100,000 high-class ready-made suits a year.

The Korea garment company of the Pyongyang Municipal General Bureau of Garment Industry is expanding its export-oriented production base and effecting a new turn in garment processing trade this year.

The Mangyongdae garment factory, the Pyongyang children's clothing factory and the Pyongyang Changgwang garment factory under the company are topping their daily production quotas for coats and jumpers by more than 50 percent.

With the application on a new computerized embroidery art, the company has doubled the productivity of embroideries and exported first-class suits, shirts, padded coats and gloves, winning popularity from the importing countries.

The Pyongyang alcohol factory, the Odaejin export fisheries station and other units have overfulfilled their January plans for the production of export goods more than 10 days ahead of schedule.

* Russian Paper on Kim Il-song's Background

944Q0134A Moscow NEZAVISIMAYA GAZETA in Russian 29 Sep 93 p 5

[Article by Leonid Vasin: "Steps Toward the Throne. Kim Il-song: Who Is He?" Names in parentheses as transliterated]

[Text] The "Great Leader" of the Korean people was created and cultivated and exists not in accordance with the wishes of the people of North Korea, but in accordance with a design of the CPSU Central Committee Politburo planned in advance and of the leader of all the peoples personally.

A whole system of authorities formed north of the 38th parallel was involved in his formation, elevation, and confirmation in the role of military commander, theorist, and leader. Here is a rough sketch of these authorities: Colonel General Shtykov, the direct representative of the Central Committee Politburo responsible for the entire situation on the ground and former secretary of the CPSU Leningrad Oblast Committee; the 25th Army's Military Council, Major General Lebedev; the 25th Army's Special Propaganda Section, Major Kovyzhenko, chief, who subsequently came to be called senior official of the CPSU Central Committee; the newspaper CHOSON SINMUM; and Pyongyang Radio, whose programs were produced by representatives of our country. The University of Pyongyang, which was formed in accordance with a decision of the CPSU Central Committee, and its provost, Pak Il, a Soviet scholar. It was he who taught Kim Il-song the rudiments of Marxist-Leninist science. The Soviet military administration—Major General Romanov and Colonel Ignatov, his deputy for political affairs. And, of course, the KGB (Army counterintelligence), headed by Major General Anokhin.

Your author was working in the Army's Special Propaganda Section as assistant section chief. According to the listed establishment, this section was in wartime to work among the troops and the populace of the enemy. The branch had 14-15 officers of Korean extraction. We created Kim Il-song from scratch, virtually, and performed this work "crudely and visibly," without embarrassment or pangs of conscience—as the party ordered. I more than others, possibly, dealt with Kim Il-song on a daily and weekly basis in the first five or six months. Then, as Terentiy Fomich Shtykov's staff grew, the section's role was scaled back. Nonetheless, the work that enabled Kim to become not only a military commander but also a leader was performed in the first two years.

The Situation From 18 Through 23 August 1945

The decree of the Japanese emperor on capitulation was announced in the morning of 15 August. Units of our 25th Army were pushing forward through Manchuria in the direction of the Korean borders. In the night of 16 August they entered Yanji, where the headquarters of the Japanese 5th Army were located. On 17 August the commander of our 25th Army, Colonel General Chistyakov, the celebrated hero of the battle of Stalingrad, accepted the surrender of the Japanese from Major General Hachiro Iketani, chief of staff of the Army. The Japanese general reported that Japan had observed all the terms of the surrender and that only one subunit was, in view of its isolation from headquarters, putting up resistance to our advance, for which General Iketani apologized.

The higher command ordered General Chistyakov personally to deplane at Pyongyang. Immediately! He ordered that the trains be loaded up and that they make full-speed for Pyongyang. Others followed at their own pace.

I know that there were no national formations in our Army's units. And had there been, we would have been well aware of it. Our section was required to look after such subunits and rely on them in its work. There was no detachment of Kim Il-song or the Chinese Wang Song on the Korean salient. This "presence" of national subunits was designed subsequently as camouflage for the future leader.

Chistyakov's aircraft touched down at Pyongyang Airport. Accompanying the general was a group of submachinegunners, a radio operator, and a signals officer. Koreans and Japanese were awaiting the appearance of the Soviet forces. Several cars were made available to Ivan Mikhaylovich, who set off directly for the residence of Shoji Furukawa, governor of the northern provinces. But this building had at four in the afternoon been taken over by a people's committee, which had arisen spontaneously. But the official acceptance of the surrender took place here, in the former office of the Japanese general.

Colonel General Chistyakov as yet knew nothing of Kim Il-song. He and many others had simply not been notified, and he acted as prudence dictated. Moscow had not yet chosen the person whom it would back.

Cho Man-sik? A leader of the national liberation movement of 1919. He had together with Syngman Rhee led the 1 March uprising. The difference between them was that Cho Man-sik had spent from 1919 through 1945 in jail. Syngman Rhee, on the other hand, had been in exile. Cho Man-sik was released from prison in accordance with the emperor's capitulation decree, and Syngman Rhee arrived in South Korea on 17 August from Hong Kong.

Representatives of the people's committees had since 21 August been coming to our command headquarters, and from there they were sent to us, to our Special Propaganda Section. People came in a stream to express gratitude for the liberation, to register, to present a complaint, to communicate something or other of importance, and so forth.

Such people in our section were former members of the All-Union Communist Party (Bolsheviks) who had been infiltrated into Korea in the 1930's by a decision of the Communist International Executive Committee and the Profintern. On 15 August they also had been released from prison. About 10-12 persons were the most active. They included (Pak Den Ay) (Vera Tsoy. She would subsequently become vice chairman of [Yezheni Kotton's] International Organization of Women), her husband, (Kim Yem Bom), and others. It was they and their comrades who notified all provinces that the First Communist Party of Korea Congress would be held in Pyongyang on 28 August. They themselves on the very first day went to the former governor's residence and together with Cho Man-sik joined the Provisional People's Committee of North Korea. Cho Man-sik perfectly naturally occupied the post of chairman, and he was at this time supported by the Communists.

Some special propaganda officers made, as we were told later, a mistake. They visited without permission the People's Committee building and congratulated Cho Man-sik on the liberation. This was on 21 August 1945. The mistake was caused by the fact that we did not know Moscow's intentions. Not just we, but Lebedev, member of the Military Council, did not these first two days know on whom to rely and whom to recognize and whom not to recognize.

Kim Il-Song Comes to Us

Kim Il-song showed up at our section on 22 August 1945 in the latter part of the day. He said, if I am not mistaken, that General Lebedev had recommended that he report here.

Kim arrived without any soldiers or an adjutant. Our khaki field uniform, service cap of the rifle troops, box-calf boots, and the Order of the Red Banner. The young Korean officers of the section clustered round him. Questions, cross-questioning.

Kim Il-song really was part of a guerrilla detachment operating in the areas of Manchuria bordering Korea. Prior to this he had lived in a rural locality on the territory of China. There, according to him, he completed seven grades of a Chinese rural school. The officers of the section observed that he did not, evidently, have a great command of Korean, although they themselves were far from perfection.

As Kim himself told me, he and a group of Korean and Chinese citizens had, under pressure from Japan's punitive detachments endeavoring to clean up the rear areas in connection with the country's entry into the war against the United States, crossed our border. An international brigade, which numbered approximately 300 Chinese and Koreans, was formed from such defectors in 1942. They were quartered in the village of Vyatskoye near Khabarovsk. Kim Il-song was appointed commander of this brigade, and Wang Song, whom I had met twice, commissar. The rank of captain was established for Kim Il-song, and for Wang Song, major. According to the establishment, the brigade was called 1st Battalion, 88th Brigade.

This Korean-Chinese international subunit organized drills itself, under the supervision of counterintelligence officers. Political classes and political information sessions were held, and combat training was performed. Much time was allotted for domestic chores.

There had been no orientation toward Kim prior to the start of the war with Japan. No one knew who would be the head of a liberated Korea. Everyone was kitted out for the march. Wang Song and Kim Il-song were presented with the Order of the Red Banner. Only subsequently would these decorations be formalized by an order of General Purkayev, commander of the front (almost a week after Kim, wearing the decoration on his chest, arrived in Korea).

After General Chistyakov's departure, the headquarters staff loaded up the cars. Our section traveled in the first train. Kim Il-song and a group of Koreans, in the second train, this group having been pushed forward by the officer who had been assigned to it. The Soviet Army uniform, the decoration, and the assistance of the SMERSH officer enabled Kim to enter Pyongyang on 22 August.

The myth that he had for 14 years been in command of a large formation, kept virtually all Japanese forces in Manchuria on a state of alert, smashed enemies on land, stormed ports, and commanded an armored formation on an offensive was needed to elevate Kim to the level of hero in order to use him for work in Korea. The Soviet propaganda authorities not only did not prevent these rumors, they encouraged them and augmented them in the press and on the radio.

On 23 August 1945 Section Chief V.V. Kovyzhenko received the order—disguise Kim, get the Order of the Red Banner as far away as possible.

Work was in full swing. We were rendered inestimable assistance by (Pak Den Ay) and her husband (Kim Yem Bom). They procured two suits: one was clearly too small, the other fit. I said: "Well, try sitting down!" Kim sat down, and his pants split below the fly. (Pak Den Ay) cheered us up: "Never mind! I'll solve the problem in a flash," and she sewed up the fly. A normal, everyday occurrence.

In the yard I took a photograph of Kim Il-song in this suit, sporting a striped necktie. This was the first photograph of Kim in Korea. It was in this suit that he attended the Communist Party congress.

First Communist Party of Korea Congress

Kim's first step en route to the throne was the Communist Party of Korea congress held on 28 August 1945 in Pyongyang. For some reason or other, our historians have little to say about this congress; the Koreans, on the other hand, are simply silent.

We had not shown up in Pyongyang as yet, but the date of the congress had been fixed. Moscow knew nothing about the congress that was being convened. Those who initiated the convening of the first congress were the Communists who in the 1930's had been sent into Korea along Communist International Executive Committee, Profintern, and Communist Youth International lines. (Kim Yem Bom), Vera Tsoy, and their comrades may be put in this category. They joined this work as soon as they were released from prison, and their actions were perfectly justified; they were of the sole conviction that Korea should be together with the Soviet Union.

The Korean Communist Party had been distinguished by factionalism and was dissolved in 1919 by a decision of the Comintern Executive Committee. Now Moscow remained silent: Banning it was impossible; the mechanism of the convening of the congress had been engaged.

General Lebedev, member of the Military Council, demanded that we get Kim Il-song ready for the congress and present the Russian text of his speech on 25 August. Three days remained. We set about writing the speech. The text was ready in half a day. The approximate contents of Kim Il-song's speech which I handed over to the Korean Workers Party History Institute 40 years later are as follows: "The role of the Soviet Army in the liberation of Korea, urgent tasks of the Communists for creating and strengthening the organs of power, the land issue, and Lenin's theory of the building of socialism and its application under the conditions of the Korean revolution."

General Lebedev approved the contents. "Get Kim ready," he said. We began to translate the speech into Korean, then gave the speech to Kim for him to study it (it was approximately five typewritten pages). We were well aware that he had while in the international brigade studied Marxism-Leninism for three years and that this speech would not be very difficult for him.

The congress opened in a red-brick home. It was arranged that (Kim Yem Bom) would nominate Kim Il-song for the Presidium and give a brief description of his services to the people.

And here was Kim in the Presidium. He spoke on day two. A section officer from the ranks of our Koreans who had checked his speech against a second copy notified me: "All is in order. He interposed only a few words." I asked Kim in the future to insert fewer of his own words.

We received the instruction: No decisions to be adopted at the congress, no working bodies to be elected, elect an organizing bureau, and work on the program and rules. Kim submitted precisely these proposals. They were adopted. Moscow's hand was being felt already. Moscow's decision to form an alternative party was adopted subsequently and transmitted here, to Korea. The formation of this party was entrusted to Kim's best friend—(Tsoy Yen Gen).

Subsequently a joint congress of the two parties was convened. The Communist Party and the People's Party united. The Workers Party of Korea was formed. Kim Il-song was elected general secretary of the party.

Moscow evidently believed that by manipulating the names of the parties it could fog the brains of its ideological adversaries. Such party conversion became the fashion.

The Next Step

Following a recommendation of Vera Tsoy, in this third week of August we selected for ourselves apartments in homes that had previously belonged to Japanese.

Kim Il-song took up quarters opposite (Kim Yem Bom). My apartment—next door to Kim's—was separated from his house merely by a low fence and a slope. Further on, behind me, was (Tsoy Yen Gen)—the future minister of defense—and next to him, (Mu Den)—commander of the new military formations of Koreans. So we rubbed shoulders with the future leader daily.

Mun (I forget his last name), who had been released from prison and who had a good knowledge of Russian, became infected with the idea of the immediate formation of a youth union of Korea, although he was already around 35-40. We reported this to higher levels. Colonel General Shtykov, who had assumed the office of ruler of Korea on the part of the CPSU Central Committee Politburo, gave the go-ahead, and the work began.

I was entrusted with preparing the Democratic Youth Union Rules. I did not spend long thinking about it and took as the basis the VLKSM [All-Union Leninist Communist Youth League] Rules. Mun and I got together in my apartment, extracted from the VLKSM Rules what, in our opinion, was unnecessary, and added what could impart to the new union a national coloration. It was reported to Shtykov. He approved. We prepared a very brief speech for Kim Il-song. It was decided: Let the delegates say all that they want.

The congress opened at the end of October (at the start of November, possibly). Mun delivered a prepared report. Then, to applause, Kim Il-song spoke. A bureau and bureau secretary—Mun—were elected. The young people accepted Kim as planned.

The press and radio gave the congress and Kim Il-song's role in the formation of the Youth Union extensive coverage. Kim Il-song ascended one further rung of his Olympus.

KGB General Anokhin Made the Decision

A prominent place in the history of the national liberation movement of Korea belongs not to Kim Il-song but to Cho Man-sik, whom Lieutenant General Furukawa, fulfilling the decree of Emperor Hirohito, had been forced to release from confinement.

General Chistyakov accepted the surrender in premises in which the occupant for four days had been Cho Man-sik. The faith in him and the respect for him were noticeable. By the end of August the Pyongyang People's Committee had become the central committee and had brought all the provincial committees under its jurisdiction. The question arose: Whom to support? Moscow finally rested its choice on Kim Il-song, and to firmly establish Kim Il-song the machinery of the KGB was set in motion.

General Lebedev proposed that I present myself to Major General Anokhin, chief of counterintelligence of the 25th Army: "He has something going on there. He is requesting assistance in work with the captive Lieutenant General Furukawa." I reported to General Anokhin; he was interrogating Furukawa. Anokhin was seeking an answer to the question of how Cho Man-sik was released. The Japanese general had allegedly told Cho Man-sik: "People's committees are already being organized there. Go and take the position of committee chairman."

I expressed doubt. Furukawa had simply let fall the words: "People's committees are being formed there." "I will write down," Anokhin told me, "that Furukawa installed Cho Man-sik as chairman of the Pyongyang People's Committee." I did not at that time believe that the KGB could operate so crudely. This is precisely what happened. After this entry, Moscow sent for Furukawa, and Cho Man-sik was declared an agent of Japanese imperialism. Thus began the displacement of the hero of the national liberation movement.

It subsequently became known that Cho Man-sik had in recent days been conversing by telephone with Southern Korea, Seoul, Syngman Rhee, his associate in the struggle. All this was in the press and on radio. The hero of Korea had become its enemy, and Kim Il-song, whom we had installed, a hero.

In the latter half of October (?) Cho Man-sik was placed under house arrest, and I do not know what happened to him subsequently, but it is firmly believed that he was removed as an obstacle to the development of our candidates.

All means were employed to discredit a person who had lost his health and who had renounced all earthly blessings for the sake of the freedom of Korea. It was impossible for anyone to raise a voice of protest. The KGB operated crudely, but productively.

Kim Il-song stepped over the rung over which the corpse of Cho Man-sik was draped and ascended to a third, higher rung. Moscow's will was done.

The Main Test for the Office of 'Great Leader'

The decision was made at the top: Prepare and stage a mass meeting, at which Kim Il-song is presented to the entire Korean people. This meeting was scheduled for 14 October 1945. Its venue—the stadium at the foot of Mount Moranpong. All the provinces were invited.

It was necessary by the time of this meeting:

—to have shown that Kim Il-song was a real person, that Paektu Mountain tiger about which the press was speaking;

—to have widely publicized the venality of Cho Man-sik;

—to have staged a meeting between Kim and his relatives (to have found them, wherever they were, and to have brought them to the village of [Mangende], which is 13-14 km from Pyongyang);

—to have exposed the "false" information of the South Korean press and radio to the effect that Kim Il-song was not Kim Il-song but someone else—a figurehead;

—to have proven that Kim had been engaged in active fighting against the Japanese aggressors and had liberated the motherland. To have shown at the same time that Syngman Rhee was a puppet of the United States and lackey of the American imperialists.

There was a great deal of work—the entire machinery had no time off. There were sleepless nights also, but we coped and sharpened the teeth of the Paektu Mountain tiger.

In the embassy lobby, (Kwon Ki-chen), ambassador extraordinary and plenipotentiary of the DPRK in the USSR, showed me a huge portrait of Kim painted on the wall. Alongside was a blue lake, and behind the lake there was a village with little houses in the style of a Buddhist retrospective. I said that I had not seen anything like that at that time. "This is Mangyongdae!" he said. I visited this Mangyongdae twice. Some relatives were brought to the village, correspondents were summoned, and the squalid peasant houses were photographed. This went on until 14 October 1945. We asked our superiors: "What should we do? They are putting Kim's portraits in the columns in front of Stalin's." "Let them put them in front of Marx's, even," was the response.

I would like to explain in advance that my comrades and I, everyone who worked with Kim Il-song at that time, did their duty knowingly and with a will on preparing him for work—it was impossible to do otherwise. In addition, our attitude toward him, as a person for whom it was difficult getting into the part, was good!

As of 1 October, it was announced on the radio several times a day that a meeting would be held at Moranpong Stadium. The words: "It is possible that Kim Il-song will be present at the meeting!" "It is possible that Kim Il-song, the leader of our people, will be present at the meeting!" "It is possible that our legendary hero will be present at the meeting!" and so forth, were inserted in every announcement here.

The speech, on which not only we but also the superior authorities worked, was of a program nature. It was not one of those hastily concocted speeches that our section used to prepare, but a considered, serious speech, which had even been perused in Moscow, possibly. The meeting was more than successful. We had taken a larger step toward Kim Il-song's ultimate assumption of the office of chairman of the People's Committee. Cho Man-sik had gone. In two months we had made Kim the leader, and subsequently, several years later, he would become "Great."

The Grenade's Flight Trajectory

One further large-scale political demonstration was planned: holding a mass meeting devoted to the friendship of the Korean and Soviet peoples. It was decided to time it to coincide with National Liberation Day.

In the columns, on the viewing stand, and on the buildings adjoining the railroad station were appeals for the eternal friendship of the two peoples. A letter from the Korean people to the Soviet people was read out from the stand. It contained, as we had thought when we were preparing this letter, the felicitous thought suggested by Senior Lieutenant Cho Ki-chong, who worked on the newspaper CHOSON SINMUM: "As long as the shining waters of the Tumen River flow and as long as the magnificent Paektu Mountain stands, the friendship of the Korean and Soviet peoples will grow and strengthen."

I wrote in my recollections for the Workers Party of Korea History Institute: "I was getting ready to take my amateur closeup. I heard a hissing and saw smoke. A grenade, which by chance did not make it into this shot, in which representatives of the province of Sinuiju were seated on the steps of the viewing stand, was flying toward the stand. Junior Lieutenant Ya.T. Novichenko, who had with his platoon been assigned to the detail maintaining order and looking out for the security of the persons on the viewing stand, was standing next to me. In a split second he had climbed over the two steps and grabbed the grenade, but was not in time to hurl it away from the stand. The grenade exploded. He survived. I raised up him slightly. Two soldiers of the Korean People's Army and his platoon sergeant took hold of the wounded man and dispatched him to the hospital.

The viewing stand was no less than 30 meters long. Section Chief V.V. Kovyzhenko was standing on the platform three meters from the explosion. The authorities, including Kim Il-song, were 30 meters away, in front of the left microphone. This explosion of the home-made grenade could be heard by a negligible part of the participants in the meeting standing in front of the platform. The powerful voice of (Kim Yem-bom) conveyed this incident to the inhabitants of the whole city. The entire blame was heaped on Syngman Rhee and the American imperialists. The explosion of the grenade added, as it were, to our arguments in the anti-American propaganda.

Illustrating this action earlier had been impossible. Everything was classified. The propaganda wave was raised later. Particularly when Kim Il-song made his first tour of the countries of the socialist camp from 16 May through 1 July 1984.

Novichenko's exploit became an exploit in the name of Kim Il-song and the salvation of Kim Il-song.

It was written that Novichenko, standing on the platform, had jumped up and grabbed the grenade, which was allegedly flying toward the place where Kim Il-song was standing. I looked into this version with Yakov Tikhonovich himself: We established that there had been no such trajectory—the grenade was flying toward the area in front of the stand, to its right. It was then that doubts and questions arose with us:

Why had we stuck to the version to the effect that the grenade was flying straight toward Kim Il-song and that the junior lieutenant had leaped up (Colonel General Chistyakov, commander of the Army, was not present on the viewing stand but describes the scene such as to indicate that he saw the way the grenade was flying and how Novichenko had leaped up)?

Why was the home-made grenade thrown by the agents of American imperialism so feeble? If it had not been picked up, the officer could have gotten away with a lighter wound. A woman standing alongside sustained a slight leg wound, and elderly people sitting next to her, back injuries, but those who were two or three strides away on the viewing stand (Major Kovyzhenko included) were not injured. There was no intention to shoot to kill, evidently.

Were the opponents of the new system unable to find if only one real grenade for Kim Il-song?

There is no clear proof that the explosion was staged. Nor was this in any way apropos at that time. The trajectory was changed. Was this really important? What was important was that the trajectory of the entire course of social development of the DPRK was warped, just like that of the grenade.

I would observe that at meetings held prior to this the leadership had always been at the center of the platform. On this occasion it was for some reason or other on the left side of the lengthy stand. And the grenade was thrown at the right side of the stand, where the guests or minor officials were positioned. So the action did not pursue the aim of assassination of the "leader of the Korean people," the aim was to create a big political outburst among the people and rouse them to hatred of the American and Syngman Rhee regimes. And, of course, to exalt Kim Il-song. The KGB's action produced "positive" results.

The explosion of hatred for the Syngman Rhee regime in Korea was for our country undoubtedly more valuable than the right hand of a junior lieutenant.

How the 'Great' Kim Il-song and K.U. Chernenko, General Secretary of the CPSU, Made a Film About the Great Friendship

From May through July 1984 Kim Il-song paid visits to all countries of the socialist camp. A meeting with Yakov Novichenko had been prepared for him on the platform of Novosibirsk Station. "He warmly embraced the Siberian" and..."called him a symbol of Korean-Soviet friendship." Prior to this, a decree on the conferment on him of the title of Hero of Labor of the DPRK had been registered.

At the talks with Chernenko, Kim Il-song proposed the shooting of a two-part feature film, the basis of which was to be Novichenko's exploit. The proposal was joyfully accepted, and...the wheels were set in motion. Features on Yakov Tikhonovich's exploit had appeared in SELSKAYA ZHIZN, SOVETSKAYA ROSSIYA, and KRASNAYA ZVEZDA by this time. The shooting of the film was entrusted at the Mosfilm [Moscow Feature Film Studio] to the famous director Eldor Urazbayev.

Since it was impossible for the film not to contain operations of our troops in the liberation of Korea, I expressed my doubts in a letter to Shauro, head of the CPSU Central Committee Culture Department, dated 23 January 1985 as to the possibility of a correct illustration of our Army's operations and declared plainly that Korea would in the film, evidently, be liberated by Kim Il-song himself. I received a reply, the meaning of which was that it was not my business and that I should keep my nose out of these matters. But since my brief essays had been carried in two newspapers, Mosfilm decided to invite me for a consultation. At an enlarged session of the Mosfilm Party Committee, I and Novichenko were asked many questions about Kim Il-song and the action of Yakov Tikhonovich. In the end I declared: "The film will not be a success. Our Korean comrades will make it such as to suit Kim Il-song."

In a private conversation with Director Urazbayev, I had asked that the filming of the mass meeting show hanging on the viewing stand a poster about Korean-Soviet friendship, although I knew in advance that it would not contain even this trifle either. Kim Il-song's national socialism expressed in his Chuche philosophy was too strong.

The film was made. Kim Il-song routs the Japanese forces on land and at sea. The Soviet Army appears indistinctly somewhere here and there. He fights his way to Pyongyang. Victory! The shots of the operations of our troops and others taken by Urazbayev were not found suitable.

Who Are These 'Bad People' and How Many Are There of Them

At a dinner given by (Kwon Ki-chen), ambassador extraordinary and plenipotentiary of the DPRK in the USSR, the guests and the host were seated at a round table. Behind each guest was a young Korean woman in national dress. Accompanying us was an agent of the KGB. This had long been the custom, evidently—any visit to any embassy would be accompanied by the attachment to the guests of a KGB agent. In this case he was called a representative of Mosfilm.

In the course of the dinner, the ambassador invited us into the film hall to view a film on the great leader's visit to the socialist countries. In color and with skillfully chosen camera angles, it made a dispiriting impression on me. Kim Il-song in splendor, one foot forward, his face radiant, his mouth, as always, half-open, his service jacket of the Stalin-Mao Zedong cut. Chernenko looked frail and bowed. He looked the same next to Honecker, Zhivkov, Ceausescu, and others.

At table, after the showing, I was asked: "Whom else did you know?" I replied: (Kim Yem-bom, Pak Den-ay). "They are bad people!" (Kwon Ki-chen) said. I recall Kim Tu-pong, who became chairman of the Supreme People's Assembly Presidium. "What do you mean, what do you mean? He is a bad person!" the ambassador said. All right, I thought, I'll talk about (Tsoy Yen-chen), Kim's best friend. They ate cabbage soup together for three years at Khabarovsk, and, in addition, in the Korean adventure of 1950-1953 he held the position of secretary for defense.... He proved to be a "bad person" also.

"And what did you like in the field of art and culture?" I recalled a wonderful ballerina, about whom our press was writing at that time—(Tsoy Sin-ki). I attended her concerts. Star of the East was what she was called even in Southern Korea. I had not finished speaking about her before the embassy secretary interrupted: "No, no! She is an enemy!"

No one knows how many "bad people" there were in the DPRK. Perhaps there were even more relative to its population of 11 million than with us.

Parameters of Honor and Conscience

In 1946 at mass meetings in Pyongyang in honor of May Day and the anniversary of the Great October, balconies, fences, and walls of houses were covered with posters devoted to the 20 years of generalship of Kim Il-song. We subtract from 1946 the year in which Kim Il-song was born. We are left with 34. We take 20 from 34 and are left with 14. This is the age at which the military commander was born. In our times he is a generalissimo.... Mankind has yet to devise a higher rank for Kim Il-song. But what is most interesting is that at the age of 14 he had not even completed the seventh grade of the Chinese rural school and could not read and write properly.

I have in front of me a work of his son, Kim Chong-il, written on 17 October 1982, a work of that same Kim Chong-il, who, still in short pants and seated on his father's lap, took aim at me with a pistol in 1946. The work is called "The Workers Party of Korea—the Chuche Revolutionary Party—Inheritor of the Glorious Traditions of the Anti-Imperialist Alliance." This "study" was devoted to the "56th anniversary of the founding by Comrade Kim Il-song, the great leader, of the Anti-Imperialist Alliance—AIA."

We subtract 56 from 1982. We are left with 26. We subtract the year in which Kim Il-song was born, we are left with that same 14. He was at this 14, apparently, not only a military commander but also a great politician. Where did Kim get all this from? It all came from us. We taught him to lie. In 1945 he was unable to put together decent notes for a speech at the political classes, despite the program's demands for the study of Russian, and had not in three years mastered the basics of Marxism-Leninism, and 19 years before this he was the outstanding founder of the AIA.

"In 1926, having formed the AIA, he took" (as his son's work says) "the helm of the revolution and transformed Northern Korea into a country of model socialism."

In the meager pamphlet Kim Chong-il calls his father the "Great Leader" 60 times. In an illustrated magazine in Russian—KOREYA—the authors of various articles call the leader's son, Kim Chong-il, "beloved leader" 40 times.

They outdid us. We had this also, but somewhat less. They are from that same CPSU Central Committee Politburo mold loaded with the ready-made cadres necessary for the victory of communism throughout the world.

Speaking about the role of the philosophy of Chuche, Kim Chong-il, the son of the great one, writes: "It is essential that we continue to move steadfastly forward along the revolutionary path, which starts from Paektu Mountain, and brilliantly complete the Chuche revolutionary cause, the cause of socialism and communism." In addition, Chuche philosophy, in the opinion of the son, "should be the theoretical basis for the victory of communism worldwide and should raise the value of man to the highest level" (Kim Chong-il. "Conversation with party officials dealing with questions of theory, 2 April 1974").

What, in fact, is the point of reproaching Kim Il-song and gauging the parameters of his honor and conscience? He is, after all, copied from us. He is as we used to be. We had the same military commanders and theorists. We extolled him and praised him in such a way that he did in actual fact decide that he was great. It is hard now to persuade him that he with his mumbo-jumbo—Chuche philosophy—is an ignoramus.

General Shtykov ordered me by telephone to take in at my quarters Kim's friend—Wang Song, commissar of the international brigade—and not let him out. But Wang kept asking and asking to see Kim. I reported to the general that Wang was dying to see Kim. "All right," the general said, "take him, but have him back by nightfall."

....We drank vodka, then wine, by the glass. We switched to tumblers. Kim's wife and soldiers served appetizers. At my request we all switched to Russian. Wang, a head shorter than Kim, animated, agile, spare, drank and did not become intoxicated. But Kim turned sour.... "They will get to know about us yet.... We will be appreciated yet!" he said. He was not mistaken. We got to know, we cultivated, and we appreciated. So who is he? Not, of course, a military commander, not a theorist, and not a philosopher, and a leader in the broad meaning of this word even less. A simple and obedient border-crosser who came within the sights of our intelligence authorities. More precisely, he was more obliging, far from having any ideas of his own, and capable of repeating what was suggested to him.

In the European socialist countries, the leaders were selected the same way. If they went wrong, they were replaced, and new ones were picked and installed. But here, forever, and with Asian singularities and brutality.

In Korea we were frequently asked about other Kims, and names were cited. But this was no longer any use to anyone. The choice had been made. The raw "product" was polished up and brought to a shine. And, as you can see, we produced quite a shine!

Well, all right, I thought at that time, we have glorified him in order to have our man in foreign parts. But we now we must stop. Let his own nation, his own people, appreciate him.

South Korea

Government Responds to DPRK Official Statement

SK0102083094 Seoul KBS-1 Radio Network in Korean 0800 GMT 1 Feb 94

[Text] In connection with the North Korean Foreign Ministry spokesman's statement on the warning of the withdrawal from the Nuclear Nonproliferation Treaty, a government official today issued a commentary revealing that the government expects the North Korean side to respond to the government's efforts to resolve nuclear issues through dialogue under close cooperation with the relevant countries, including the United States.

In particular, in connection with the issue concerning Patriot missiles which was mentioned in the North Korean Foreign Ministry spokesman's statement, the government revealed that because Patriot missiles are purely defensive weapons, the government's review [komto] of deploying Patriot missiles is only one of the efforts to improve the ROK-U.S. combined defensive posture and thus has nothing do with nuclear issues.

IAEA Spokesman: DPRK May Suspend Nuclear Talks

SK0102005094 Seoul KBS-1 Radio Network in Korean 0005 GMT 1 Feb 94

[By Yi Il-hwa from Tokyo]

[Text] According to a TOKYO SHIMBUN report dispatched from Vienna on 1 February, David Kyd, International Atomic Energy Agency [IAEA] spokesman, said that North Korea may announce it will suspend negotiations on the nuclear inspection issue in the next talks scheduled this week on North Korea permitting nuclear inspections.

Spokesman Kyd said: The IAEA has already explained to North Korea the details of procedures for nuclear inspections. North Korea is expected to respond before the end of this week. The IAEA cannot make any concessions in its original plan for inspections [tangcho-e chesihan sachal naeyongul chogumdo yangbohalsu opta].

Spokesman Kyd also said: If North Korea's response is negative [pujongjok] or clearly shows its aim to stall for time, the IAEA will stop holding negotiations with North Korea and will inform the United States of this.

Information Director Kyd said that the IAEA will discuss the North Korean nuclear issue again in its Board of Governors regular meeting to be held beginning 21 February.

DPRK, IAEA Need To Reach Agreement by 21 Feb

SK2801235894 Seoul YONHAP in English 2340 GMT 28 Jan 94

[Text] Tokyo, Jan. 29 (YONHAP)—South Korean Foreign Minister Han Sung-chu says that the North Korean nuclear issue would be referred to the U.N. Security Council unless it is resolved by Feb. 21 when the International Atomic Energy Agency [IAEA] convenes a Board of Directors meeting. Han made the prediction in an interview with Japanese correspondents stationed in Seoul, the KYODO news service reported Thursday.

Han also explained that even if North Korea agrees to IAEA inspections of its nuclear facilities, the agency will now have to undertake much more thorough and additional inspections as continuity of nuclear safeguards in North Korea has already broken, KYODO said.

Han said he expects some kind of results will emerge from the IAEA-North Korean negotiations on the inspection within next week. Han added that they could be either positive or negotiative, KYODO said.

Official: Seoul, U.S. Agree To Deploy Patriots

SK2901003494 Seoul THE KOREA HERALD in English 29 Jan 94 p 2

[Text] Seoul and Washington agreed to deploy Patriot missile batteries at U.S. army bases in South Korea in March or April, a senior government official said yesterday.

He said the U.S. move for early deployment of Patriot missiles in South Korea is, in part, aimed at putting pressure on North Korea to come to an agreement with the International Atomic Energy Agency (IAEA).

If the North Korean nuclear problem is solved at an early date, the anti-missile missiles could be deployed in Japan instead, the official said.

He said U.S. President Clinton has not given final approval for the deployment of Patriot missiles, but is expected to approve it sooner or later.

"The South Korean government agrees to the deployment in principle and the interceptor missiles will be deployed at the bases of U.S. forces here in March or April at the latest," the official said.

He said the 36 Patriot missiles to be deployed here are for protection of strategic points of U.S. forces in South Korea rather than for defense of densely populated areas including Seoul and the surrounding metropolitan area.

Deployment of Patriots on the Korean Peninsula is the first step in establishing the Theater Missile Defense (TMD) system, which the U.S. government is pushing for on a long-term basis.

Washington confirmed Wednesday it was considering deployment of Patriot missiles in South Korea to defend its ally against North Korean attack.

Gen. Gary Luck, commander of U.S. forces in Korea, requested deployment of Patriot missiles late last year to prepare against Scud missile attacks by North Korea.

U.S. May Demand Burden-Sharing

SK0102014294 Seoul SEOUL SINMUN in Korean 1 Feb 94 p 3

[Text] The government believes that the United States will demand a drastic increase in our side's share of defense expenses when it deploys Patriot missiles in our country. Thus, our government is studying measures for this.

On 31 January, a relevant government official said that "during the 1991 ROK-U.S. annual security consultative conference, the ROK promised the United States that it would take up an additional $10 million in defense expenses when facilities are expanded in the event of Patriot missiles deployment in the ROK." He added that "this amount, however, was calculated on the condition that the missiles will be deployed on a base in Osan that is already being used by U.S. Forces in the ROK. Therefore, if the United States wants to use another base, it is likely that the United States will demand that the ROK be responsible for a considerable amount of additional expenses."

The official noted that "it is not clear at this point whether the United States will use the Osan base when it deploys the missiles or not. However, there is a great possibility that the United States will request a new base or a base in another area to deploy the missiles."

The official said that "in that case, the afore-mentioned agreement would be nullified. Therefore, the United States will demand a drasticallly increased amount of defense burdensharing by the ROK in the name of securing facilities and the like."

Disagreement on Timing of Deployment

SK0102022994 Seoul YONHAP in English 0221 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—Seoul and Washington are reportedly out of step over the timing of deploying U.S. Patriot missiles in South Korea, with the Americans wanting to execute the plan as soon as possible while the Koreans are in no hurry. The two governments, currently discussing deployment of Patriot missiles on the Korean peninsula, are considering some time in March or April, a senior Seoul official said Tuesday.

Korea is in no hurry to deploy the missiles as there are no clear signs of a threat to the Korean peninsula, while the United States wants deployment to take place as soon as possible, producing the difference of opinion, the official said.

Seoul, fearing that the missile deployment may provoke Pyongyang and sidetrack the process of resolving the North Korean nuclear problem, wants to watch the progress of the nuclear talks before making a decision, he said.

Rumors of Aircraft Carriers Deployment Denied

SK2901024094 Seoul KBS-1 Radio Network in Korean 0200 GMT 29 Jan 94

[Text] In connection with rumors that U.S. aircraft carriers would be deployed in the vicinity of the Korean peninsula, an ROK Government official said today that the ROK Government has not been informed of such deployment. He also said he knew this is not true. This official also said that when the Team Spirit exercise is conducted, U.S. forces aircraft carriers are normally deployed near the Korean peninsula. He added: No decision has been made on whether to conduct the Team Spirit exercise this year. Therefore, no decision has been made to deploy aircraft carriers near the Korean peninsula.

Assistant Minister on U.S. Financial Talks

SK2901113094 Seoul THE KOREA TIMES in English 29 Jan 94 p 17

[Text] Assistant Finance Minister Yim says Seoul wants the United States to unify dialogue channels on financial issues. He added that it is the United States that led to a stalemate in the Uruguay Round financial services negotiations. Yim said Washington threatened to take the exemption from the most favored nation (MFN) status, an act which is a violation of a universal principle of the General Agreement on Tariffs and Trade. "The United States declared in the Uruguay Round negotiations that it will adopt a two-tier approach to deny MFN status to countries that Washington argues reject full national treatment and market access to U.S. financial services companies," Yim said.

If the United States had stuck to the MFN principle, the multilateral financial services agreement would have been reached in Geneva last December, Yim said.

In an apparent displeasure over the US trade representative's [USTR] comment on Korea and Japan as "free riders" in financial services, Yim said the purpose of the USTR is to open foreign markets. Kantor made a special reference to Korea and Japan as free riders out of attempt to maximize "announcement effect" in prodding these countries into opening further their financial markets.

He said it is regrettable for the USTR to complain over the Korean financial market while the U.S. Treasury Department does not make any comment.

Korea is one of a few countries where a large number of U.S. financial firms are operating. As the Korean and Japanese markets are attractive, the USTR seeks to open their financial markets wider, he said.

Yim said the USTR is not interested in African countries where few or no American firms are operating.

Why does the United States complain that Korea is unwilling to open its financial market at a time when the nation has been accelerating the implementation of the financial reform plan? Yim said it is because American firms can find "attractive business opportunities" here.

Yim acknowledged that Seoul has not accommodated part of the U.S. requests because some of its proposals are "out of tune with international practices."

For example, the United States wants American bank branches here to use head office capital as their branch capital. But even Germany and France do not accept this request. "As Korea has no power to inspect head offices of foreign banks here, it can not check the credit worthiness of each bank. Thus it is unreasonable for American banks to try to link their head office capital to Korean operations," he said.

Asked to comment on what action Seoul will take if Washington takes a retaliatory step against Korea, Yim said "it is the last thing we want". But "we do not want a situation where the United States retains the right to restrict operations of Korean firms in the United States while American financial firms are expanding business here."

In the Uruguay Round, "We made it clear that if any country restricts the overseas activities of Korean financial firms, we will take a similar reciprocal retaliatory action against the financial firms from the specific country, Yim said. [no end quotation mark as published]

If Washington seeks to take an exemption from the MFN standing to discriminate against specific countries, other GATT member countries will take similar actions, adding that the United States will face international criticism for violating the basic principle of the GATT, Yim said.

U.S. Complaints Over Market Opening Examined

SK3001031894 Seoul THE KOREA TIMES in English 30 Jan 94 p 9

[By staff reporter Yi Chan-sop]

[Text] Ordinary Koreans are perplexed not only by Finance Minister Hong Chae-hyong's speedy implementation of financial reform but also by the continued U.S. complaints about the domestic market opening.

Is Minister Hong lying or is the United States seeking an "overblown" political and strategic reaction to squeeze more concessions from Korea?

U.S. government officials, including U.S. Trade Representative chief Mickey Kantor, picked Korea and Japan as their "main problem countries" in their market opening regarding for American financial service firms.

Finance Minister Hong said he wants to make Seoul a leading financial center in Northeast Asia. And few Korean bankers doubt the government has been implementing its financial reform plan at a full speed.

Many American bankers, including James D. Vaughn, manager of the Seoul branch of American Express Bank, did not hesitate in praising Seoul's recent financial reforms but U.S. government officials are reluctant to appreciate what's happening in the Korean financial market.

A few divisions of the MOF [Ministry of Finance] appear to be waging a competition these days to rewrite insurance, foreign exchange, and foreign direct investment laws. They are liberalizing foreign exchange and capital flows and eliminating preferential policy loans. They deregulated the bulk of interest rates, and announced a series of reform measures.

Why does the United States have such a complaint? Is it justifiable?

Many analysts here believe that the U.S. Treasury Department and the U.S. Trade Representative are waging their own competition to gain the upper hand in their push to open the "lucrative" financial market in Korea. Sandwiched between the bureaucratic infighting, Korea faces double pressure, they said.

Seoul's financial market is being liberalized at a rapid pace by Korean standards but at a snail's pace by U.S. norms, a Western diplomat said.

Kantor said the United States wants Korea to open its market in a way that the United States and the European Union open theirs.

Choe Chang-pong, an economist at the Korea Tax Institute, said "The United States will not be satisfied until Korea has an open financial system the same as the United States has." But he said if Korea further speeds up its liberalization, local institutions may have a tough time in keeping up with it." [quotation marks as published]

Washington is hell-bent on prying open Korea's financial market because American financial services firms can do good business here. The United States appears to expect Seoul to open its financial market wider following Korea's concession to open its rice market, analysts said.

Although Seoul unveiled its five-year financial reform plan last year, it refused to link it to the Uruguay Round. This raised U.S. suspicions that Korea might change its mind on reform in the future, they said.

Washington believes that without constant pressure, Korea might backpedal on its liberalization, analysts here said.

The U.S. threat to retaliate has discouraged Korean policymakers who have worked overtime to implement financial reform plans, an MOF official said.

One Seoul professor said, "If the U.S. repeats its threat of retaliation without praising Seoul's achievements, MOF officials may not voluntarily deregulate financial rules." Instead, they will hide major issues of great interest to American firms until the United States puts pressure on Korea.

They will hide "big gifts" (concessions) until U.S. officials visit Korea, he added.

He and Korean economists said that the U.S. will invite undue anti-Americanism from the Korean people when they use such "hackneyed" words as threat or retaliation at a time when the nation is moving toward fuller financial reform.

U.S. Pressure

MOF officials are angered when U.S. officials threaten to twist their arms to open the market further at a time when many American bankers and businessmen are praising MOF officials for their reform of the domestic financial system. They question who is pushing the U.S. government to put pressure on Korea to open its market wider. MOF officials suspect that a few American bankers, who have seen their profits fall here, are complaining that it is because of the "worsening business environment."

The worsening environment is due to the intensifying competition following deregulation, not because of Seoul's discriminatory practices against foreign financiers, MOF officials said.

Many bankers, including Hana Bank's Yun Pyong-chol, said the more Korea opens its market, the more difficulty foreign banks will face in expanding revenue.

MOF officials speculate such complaints originate from a few foreign bankers' attempt to hide their mismanagement or lack of talent.

Arm-Twisting

The U.S. Treasury expects Congress to enact the "Fair Trade in Financial Services Act." For the first time, the U.S. administration has taken a unified position in supporting this legislation, which will be used to retaliate against foreign countries. But analysts here said there are still problems, however, in winning passage, particularly in the House of Representatives.

Despite high-pitched rhetoric, the United States will not be able to retaliate against Korea at least until the end of 1995. An MOF official said, "We are worried over how successfully we implement our reform plan, not U.S. retaliatory threats."

For the next two years, Washington will seek intensify pressure on Korea and other Asian countries to open their financial markets. But MOF officials say over the next two years, Korea will implement the bulk of its five-year financial reform program and hope U.S. complaints die down.

U.S. Decides To 'Shelve' Aides' Residency Request

SK2901085694 Seoul YONHAP in English 0716 GMT 29 Jan 94

[Text] Seoul, Jan. 29 (YONHAP)—The U.S. Government has decided to shelve temporarily the application for permanent residence in the United States filed by Kim Chong-hwi, former South Korean President No Tae-u's senior secretary for Foreign Affairs and National Security, in consideration of the Korean Government's opposition to the application, a Foreign Ministry official said over the weekend.

Chang Chae-yong, the Ministry's North America bureau chief, said his Ministry had just received from the U.S. State Department a letter officially confirming Kim's permanent residenceship application.

The U.S. Government said the immigration and naturalization office would make the final decision on Kim's application because it falls under the office's responsibility.

It is hard at the moment to tell when the office will start examining Kim's application and when it will finish the examination.

Kim's application was for permanent residenceship, and not for political asylum, Chang quoted a U.S. Government official, who handed the State Department's letter to the Ministry, as saying.

The U.S. Government promised a maximum cooperation in dealing with Kim's permanent residenceship application, stressing the issue is not a matter of political consideration, Chang said.

Asked about Washington's decision to shelve Kim's application, Chang said the U.S. Government is not in a hurry to take action on this matter.

The government has earlier asked the U.S. Government not to permit Kim's permanent residence on the ground that he is wanted in Korea in connection with the irregularities related to the military modernization program.

U.S. Reportedly Considers Deportation

SK3101063094 Pusan PUSAN ILBO in Korean 28 Jan 94 p 1

[Text] YONHAP—It has been learned that the U.S. Government is considering to forcibly deport Kim Chong-hwi, former Chongwadae [presidential offices] presidential senior secretary for foreign affairs and national security, whose application for permanent U.S. residency has recently become a diplomatic issue between the ROK and the United States.

A high-ranking government official said on 28 January "regarding our government's 26 January official request against Kim's application for U.S. visa extension and permanent residency, the U.S. side informed us of its intention to shelve his visa extension."

The official added: "I know Kim's visa holds good for one year and it would expire in April. The U.S. Government is considering the question of shelving his visa extension and deporting him from the United States."

This official, however, expressed his concern by saying: "What is annoying is that there is legally no way for our government to bring him home, even if the United States did expel him, unless he returns voluntarily. There is a possibility that the matter becomes complicated, if Kim chooses to go to a third country."

The official predicted that "it is hard to expect an immediate settlement of the Kim issue, because if the United States shelves his visa extension, Kim would be able to stay in the United States for at least a period of time if he decided to retain a lawyer to legally fight the case."

Ex-President Attempts Contact With Former Aide

SK0102062194 Seoul YONHAP in English 0534 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—Kim Chong-hwi, the former presidential aide who has bolted the country to avoid prosecution on charges of accepting bribes, was preparing to settle down with his family in the United States last December when he invited his son and daughter-in-law to live there, it was disclosed Tuesday.

Meanwhile, former President No Tae-u, aware of mounting public criticism against his former secretary for foreign and national security affairs, is trying to contact Kim to persuade him not to seek permanent residency in the United States, sources said.

No, who had been indifferent to the issue until recently, was unsuccessful in his attempt to get in touch with Kim in the United States, they said.

Kim left the country shortly after he was implicated in an investigation of alleged irregularities in the Yulgok project, and was reported in recent weeks to have applied for permanent U.S. residency or even political asylum.

One aide to No said Tuesday he fears that the former president may ultimately have to take responsibility if Kim fails to return to Korea. That's why "we have been asking around if people know the whereabouts of Kim, but so far they are not known," he added.

It was disclosed belatedly that Kim's 27-year-old son and his wife suddenly left the country for the United States at the end of last December and speculation abounds here now that Kim had already made careful preparations to settle down in the United States for good.

U.S. Ambassador Quoted on Human Rights in North

SK0102092794 Seoul YONHAP in English 0900 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—U.S. Ambassador to South Korea James T. Laney said on Tuesday that North Korea should ease tensions by opening up its nuclear program. Laney, in a speech prepared for delivery at a dinner meeting hosted by the Korean-American Association Tuesday afternoon, said North Korea also "should begin to open its economy, and move as quickly as possible to grant its people those civil and human rights which are, after all, the reason governments are instituted among men."

At the meeting held in the Hyatt Hotel in downtown Seoul, he said, "I have a personal image of the contrast between the world built by communist societies and that we enjoy in the free world... North Korea is on the sad side of this contrast. They must come to terms with this fact."

He added that South Korea has to come to terms with its own new self.

"I want to urge you to embrace the status you've earned as one of the world's leaders... So when I urge you to accept and believe in the Korea that you've built, I'm hoping that your acceptance will lead you to embrace the responsibilities of a world leader," he said.

Rent for U.S. Embassy To Be Collected Retroactively

SK2901115394 Seoul YONHAP in English 1144 GMT 29 Jan 94

[Text] Seoul, Jan. 29 (YONHAP)—The government has decided to collect rents for U.S. Embassy buildings here in Seoul retroactively to the past five years and in the future and inform shortly the U.S. Government of the decision, a Foreign Ministry official said over the weekend. He added the government would start negotiations with the U.S. Government on the matter during next week, if things go smoothly.

The Board of Audit and Inspection noted last July that the U.S. Government had not paid rents for its embassy buildings for the past 13 years without any legal basis.

The government has concluded that it is reasonable to collect retroactive rents for the past five years and continue to collect new rents in the future, the official said.

The government will also request that the U.S. Government move the embassy to the old site of Kyonggi Girls High School as soon as possible, he added. The rents are estimated at about 500 million won a year. The U.S. Government is expected to claim the right to use the buildings free of rents.

Billy Graham Said Carrying Message From Clinton

SK2901014994 Seoul THE KOREA TIMES in English 29 Jan 94 p 2

[From YONHAP]

[Text] Rev. Billy Graham of the United States left Beijing for Pyongyang on Thursday carrying with him a verbal message from U.S. President Bill Clinton to Kim Il-song, a government source said.

"We understand Clinton's message calls on North Korea to resolve the nuclear question at an early date," he said.

The source added that Rev. Graham will drop into Hong Kong after his visit to North Korea, where he will have a press conference on the results of his visit to Pyongyang.

During his stay in Pyongyang, Graham is expected to meet President Kim Il-song and officiate service at the Pongsu church in Pyongyang.

This is Graham's second visit to North Korea. During his first visit in April 1992, he conferred with Kim Il-song and gave a lecture at Kim Il-song University.

Graham's Visit to DPRK Examined

SK3101092994 Seoul KYONGHYANG SINMUN in Korean 31 Jan 94 p 20

[Article by Chong In-hwa in the "North Korean Newsletter" column: "Christianity in North Korea Is a Bait for Inducing Western Capital"]

[Excerpts] World-renowned evangelist Rev. Billy Graham is now visiting North Korea. As a result, Christianity in North Korea is now the focus of attention.

Rev. Billy Graham previously visited North Korea in 1992. This is his second visit. North Korean radio has reported that during his meeting with North Korean President Kim Il-song Rev. Billy Graham conveyed a verbal message from U.S. President Clinton. Rev. Graham reportedly will hold revival services at Pongsu Church or Chilkol Church (formerly Pansok Church).

North Korea invited Billy Graham to North Korea in order to induce money from Christian circles for the development of the Najin-Sonbong district and discuss the construction of a large church in the area. [passage omitted on the state of Christianity in North Korea]

Experts say that just like Billy Graham's visit, Christians' visits to North Korea—which North Korea facilitates to improve relations between North Korea and the United States, overcome its economic difficulties, and induce Western capital—will continue.

Chondogyo Proposes Meeting Pending Nuclear Solution

SK0102073794 Seoul YONHAP in English 0621 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—South Korean Chondogyo, an indigenous religion, sent a telephone message on Tuesday to its North Korean counterpart with a counterproposal that they meet in March after observing progress on the North Korean nuclear problem.

O Ik-chae, supreme leader of South Korean Chondogyo, proposed in his message that they hold a working-level contact in the Truce Village of Panmunjom in March to discuss ways to jointly push ahead with a project celebrating the 100th anniversary of the Tonghak Revolution.

The message to Yu Mi-yong, chairman of the central guidance committee of North Korean Chondogyo, was in reply to a North Korean proposal on Jan. 24 that they hold a working-level contact in Panmunjom on Feb. 3 to discuss the joint commemoration.

O said, "in the current situation, a visit by your people to Seoul is not appropriate. I firmly believe that every problem will be solved by early March and that we must make efforts to solve the problems by then."

Chondogyo is a religion founded in Korea by Choe Che-u in 1859. It is the religion of the heavenly way (Chondo), but its name was later changed to Tonghak (eastern learning).

In an era of political chaos in the late 19th century, the followers of Tonghak rejected the influence of Japan, Russia, China and other foreign powers and rebelled against the king and the government. However, they failed to take power.

N-S Economic Ties Depend on Nuclear Issue

SK0102002394 Seoul THE KOREA HERALD in English 1 Feb 94 p 2

[Text] President Kim Yong-sam said yesterday that his administration will actively promote economic cooperation with North Korea upon the settlement of the nuclear issue.

"Once the nuclear problem is settled, we will have serious discussions about bilateral economic cooperation programs," Kim said in an interview with the SEGYE TIMES marking the fifth anniversary of the paper's founding.

The President said the two sides may jointly participate in economic projects as part of bilateral cooperation.

"The administration also plans to allow South Korean businessmen to visit North Korea and participate in development projects in the Najin and Sonbong areas in the North," he said.

On the domestic political front, President Kim said individual ability will be the most important yardstick in nominating the ruling party's candidates for the 1995 local elections and the 1996 parliamentary elections.

"The scheduled implementation of full-fledged local autonomy (next year) and the need for winning a national competitive edge require legislators to play a new role," he said.

The President, who also heads the ruling Democratic Liberal Party (DLP), said that his party will nominate as candidates for next year's gubernatorial and mayoral elections those who can deal with the changes in the role and functions of local governments in the age of local autonomy and internationalization. Kim said that foreign language education is important in raising the nation's internationalization standard.

Daily Interviews Rescued North Korean Soldiers

SK3001112094 Seoul SEOUL SINMUN in Korean 30 Jan 94 p 2

[Interview with Private First Class Kim Chol-chin and Private Kim Kyong-chol of North Korea's People's Security Forces by unidentified reporters at the Metropolitan Armed Forces Hospital in Seoul on 29 January]

[Text] [SEOUL SINMUN] How is your health?
[North Korean soldier] We are fine. We became unconscious because we did not drink a single drop of water for two days.

[SEOUL SINMUN] How did you, soldiers, catch fish aboard a rowboat and were you adrift?
[North Korean soldier] We caught fish with nets used during off-duty hours by platoon soldiers serving in our guardpost. The weather was good as we were leaving on 25 January, however, sudden heavy seas prevented us from rowing the boat.

[SEOUL SINMUN] What do you know about South Korea? What do North Korean newspapers and broadcasting stations inform you about South Korea?
[North Korean soldier] South Korea is a society in which there are rich people and poor people. North Korea is different. It is hard to say, but we know South Korea is not a good society in many respects.

[SEOUL SINMUN] Do you want to see South Korean society?
[North Korean soldier] Definitely not. All we want is to return home.

[SEOUL SINMUN] You may be punished when you return home. Are you afraid?
[North Korean soldier] We will return even if we may be punished.

[SEOUL SINMUN] Why did you completely shave your heads?
[North Korean soldier] All soldiers shaved their heads last October under an order from the leadership. We know such an order was issued because shaven heads are good for combat, personal hygiene, and medical treatment.

[SEOUL SINMUN] Did you feel people you have met here are your compatriots?
[North Korean soldier] Yes.

[SEOUL SINMUN] Will reunification be achieved?
[North Korean soldier] Reunification will be achieved next year. It is definite because the father [oboi] Kim Chong-il said so.

[SEOUL SINMUN] How was the food at the hospital?
[North Korean soldier] I serve at an isolated place to which there is no train service. The reason the food here is so good must be because this is the central hospital.

[SEOUL SINMUN] How is your life in the North Korean Army?
[North Korean soldier] We must serve in the Army for 10 years. I have not visited my home since I joined the Army. [end soldier]

Kim Chol-chin has served in the Army for seven years, and Kim Kyong-chol, for four years.

Soldiers Returned Through Panmunjom

SK0102063194 Seoul KBS-1 Radio Network in Korean 0600 GMT 1 Feb 94

[Text] Two North Korean solders, who were found adrift on the West Sea near Paengnyong Island, were rescued by our Navy on 27 January. These two North Korean solders were repatriated to North Korea through Panmunjom at 1500 [0600 GMT] on 1 February. The two North Korean soldiers are Private First Class Kim Chol-chin and Private Kim Kyong-chol of North Korea's People's Security Forces. They were being treated at the capital military hospital. The issue of their repatriation was carried out from a humanitarian point of view, following their desire to return to the North.

The National Defense Ministry had discussed this matter with the North Korean side through the Military Armistice Commission on 29 January. This is the first instance of repatriation of North Korean soldiers who are on active duty.

Article Analyzes DPRK Military Movements

SK0102082694 Seoul HANGYORE SINMUN in Korean 1 Feb 94 p 8

[Article by Yi Sang-ki: "No Sign of North Korea's Provocation Against the South"]

[Text] With repeated reports by the U.S. press on the U.S. Government plan to deploy Patriot missiles and Apache offensive helicopters on the Korean peninsula and on the state intelligence support team dispatched to the ROK, people are under the impression that tensions are being heightened on the Korean peninsula.

In the annual report to President Kim Yong-sam on 20 January, Defense Minister Yi Pyong-tae reported: North Korea internally completed war preparations last year. As North Korea has designated 1995 as the year of reunification, it is making every effort to achieve this end. Therefore, in the event that the nuclear issue—its meaningful card—faces a deadlock and that North Korea comes to a crisis in its political system, there is a great possibility that North Korea will attempt armed provocations in order to overcome the crisis.

It is indeed a matter of interest if the moves of the North Korean Army are so alarming that the situation on the Korean peninsula can be described as a crisis, as reflected in the intensified armament by U.S. Forces in the ROK and by Defense Minister Yi in his report, even indirectly.

Meanwhile, North Korea on 28 January denounced the plan to deploy Patriot missiles to the ROK, stating that "the reckless attempt of South Korea and the United States to bring North Korea under their military control has passed beyond the dangerous level" and that this plan is "a grave intolerable military challenge."

In fact, many experts on North Korean affairs observe that as long as North Korea is under international pressure—including that of the United States—concerning the nuclear issue, there is nearly no possibility that North Korea will commit provocations or start a war against the South unless there is a specific change in the situation. This is because North Korea is well aware that such a provocative act will give a justification to the United States for a military attack and thus North Korea will suffer military retaliation, like Iraq.

The Defense Ministry and Joint Chiefs of Staff [JCS] also revealed that "preparations are always indispensable for one to commit a provocation. However, military activities of the North Korean Army regarding provocation against the South have not been detected."

Nevertheless, military experts view that although there is no direct sign of provocation in view of recent movements of the North Korean Army, North Korea is consistently maintaining the policy of reinforcing its military power to safeguard its internal system and to enhance the authority of Supreme Commander Kim Chong-il as the military leader.

The North Korean Army has been constantly reinforcing its fire power, including deployment of 170-mm self-propelled guns and 240-mm multiple rocket launchers, in frontline areas south of Pyongyang and Wonsan, including the Armistice Line. In addition, it is continually building missile bases, air fields, and military industry plants, as well as supplementary underground facilities.

In other words, 65 percent of ground forces, 60 percent of military vessels and ships, and 40 percent of fighters have been deployed in the advanced areas. Relevant military officials said that, in particular, ground forces are actively conducting field tactical exercises for division-level units and general tactical training for special troops during the winter training period. The JCS also noted that training activities, which have been decreasing since 1989, have recently been restored completely.

Besides, 16 battle squadrons were organized under the command of the East and West Sea Fleets. Thus, the North Korean Navy now has a total of 770 ships and vessels, including 26 submarines, 460 combat ships, and 310 landing ships and rubber rafts. However, its exercise is inactive facing a winter maintenance season.

On the other hand, the North Korean Air Force, composed of three combat air force commands, has 850 tactical aircraft including 60 ultramodern MiG-23 and MiG-24, and 480 supporting aircraft including AN-2 [as published]. The number of aircraft totals up to 1,620. By taking advantage of fine weather conditions, the North Korean Air Force is actively conducting exercises, and by mobilizing quasi-military units, it is also actively staging mobilization training during the farmers' slack season.

Military experts pointed out that the North Korean authorities constantly reinforced conventional weapons and conducted military exercises this year in a bid to increase their military power, and that they will direct great efforts to the development of mass lethal weapons, including biochemical weapons and missiles, according to their political purpose.

The relevant military officials said: Although no sign of direct and concrete provocations by North Korea has been detected up to now, in the event that economic sanctions and limited military sanctions are visible against North Korea after nuclear negotiation is ruptured and that North Korea faces a crisis in its system with internal discord to be erupted in the course of establishing Kim Chong-il's hereditary system, the danger of war on the Korean peninsula will certainly be heightened.

Envoy to China Says DPRK-PRC Ties 'Recovered'

SK0102090594 Seoul YONHAP in English 0852 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—The South Korean Ambassador to China said on Tuesday that relations between North Korea and China, which had deteriorated shortly after the establishment of diplomatic ties between South Korea and China, seem to have recovered.

Hwang Pyong-tae, here to attend the annual conference of Korean ambassadors and envoys, said at a bull session with journalists that the recent visit to Beijing by Hwang Chang-yop, secretary of the North Korean Workers' Party, had helped to improve the two nations' relations.

North Korea had criticized China for being "revisionist" and even "a traitor" since Seoul formed diplomatic ties with Beijing in August 1992.

"North Korea recently sent many people to the Chinese cities of Beijing, Shanghai, Guangzhou and Shenzhen to make them learn directly the Chinese way of reform and opening. North Korea seems to be changing now," he said.

Meanwhile, China's position on the North Korean nuclear issue is that if South Korea and the United States keep talking with North Korea, the problem will be solved, he said.

"Especially, China thinks that North Korea will push ahead with policies of reform and opening once its nuclear problem is solved."

Acknowledging the seriousness of the nuclear problem, Beijing is trying to persuade Pyongyang to settle the matter before Feb. 21, when the Board of Governors' meeting of the International Atomic Energy Agency (IAEA) is scheduled, he added.

On reports of a possible visit by Kim Il-song to Beijing, he said, "North Korean President Kim Il-song, who had visited China as many as 39 times, has not visited Beijing since 1992. I think it's about time for him to visit there, as relations between Pyongyang and Beijing have recovered."

Meanwhile, he expected that before President Kim Yong-sam's visit to China in late March, Seoul and Beijing will be able to conclude aviation, cultural cooperation, and double taxation avoidance agreements.

DPRK Reportedly Studying Economic Zones in PRC

SK0102110294 Seoul CHOSON ILBO in Korean 31 Jan 94 p 1

[Report by Hong Kong-based correspondent Kim Song-yong]

[Text] It has been learned that North Korea recently sent a large-scale survey team to the Shenzhen and Zuhai special economic zones in Guangdong Province to conduct an intensive study of Chinese reform and openness. The North Korean move seems to be in preparation for the partial opening it is reported to be considering for the first half of this year, North Korean sources in Hong Kong said on 30 January.

According to the sources, North Korea on 20 December dispatched to Shenzhen—China's first special economic zone—a survey team consisting of some 20 members of section chief-level officials from major organizations such as the Ministry of Foreign Trade, the External Economic Committee, and the Academy of Sciences. Since then, the survey team has been conducting a survey on the background of the establishment of the special economic zone, layout of land, the way of controlling residents between the special economic zone and the ordinary areas, the foreign capital introduction policy and laws and regulations thereof, and the activities of the trading firms in the special economic zone. It has been learned that the survey team has been keeping its government in Pyongyang informed of its findings through the North Korean trade missions in Guangzhou, Beijing, and Shenyang. North Korea increased the personnel of its trade mission in Guangzhou by five persons last August, and this is taken to have a bearing on its survey of the special economic zone.

Since last December, North Korea has also been dispatching a number of senior officials from the Light Industry Ministry, the External Economic Committee, the Nungna Trade General Bureau, and the Unha Trade General Corporation to the southern district of China, including Zuhai.

The North Korean survey team, which is expected to stay in China until February, thinks the Shenzhen model is suitable for North Korea in that Shenzhen is independently managed in the manner of being cut off from other areas, therefore, North Korea is very likely to apply the Shenzhen model to the prospective North Korean areas for the introduction of openness, such as the Najin-Sonbong area, Chongjin, Haeju, Nampo, and Sinuiju, the sources said.

DPRK Party Delegations To Tour Abroad in 1994

SK0102020794 Seoul YONHAP in English 0152 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—North Korea's Communist Party (Workers' Party) is sending numerous delegations abroad to expand relations with foreign socialist parties this year, NAEWOE PRESS reported on Tuesday.

According to NAEWOE, Seoul's official North Korea watcher, a delegation headed by party Secretary Hwang Chang-yop visited China from Jan. 15-22 and met with President Jiang Zemin and other senior officials.

Three other delegations visited Italy, France, Malaysia, Indonesia and Uganda and exchanged views on issues of mutual interest with socialist parties in January.

A delegation led by Vice Director Pak Kyong-son attended the national congresses of the Italian Communist Party and the French Communist Party. The North Koreans met with communist party delegations from India, Turkey and Germany at the French Communist Party Congress on Jan. 26-27 and discussed ways of improving ties and strengthening solidarity to sustain socialist prinicples.

Another delegation, led by Vice Director Kim Yang-kon, met with leaders of the Malaysian Unification Party on Jan. 27.

North Korean broadcasts claimed the foreign parties praised the contributions of North Korean President Kim Il-song and his heir apparent Kim Chong-il to the international communist movement and expressed full support for North Korea's unification policy, NAEWOE reported.

Country To 'Fully Liberalize' Travel to China

SK3101132294 Seoul YONHAP in English 1049 GMT 31 Jan 94

[Text] Seoul, Jan. 31 (YONHAP)—The government on Monday decided to fully liberalize travels to China by South Koreans in the foreseeable future. The decision was made at a meeting of working-level officials from relevant government offices. It was presided over by Vice Foreign Minister Hong Sun-yong.

The meeting did not set the time of China trip liberalization, but an informed source said the time would possibly be two months later, the end of March.

"At the meeting, attendees agreed to liberalize South Koreans' travels to China at the soonest early date and left the determining of the time to the Foreign Ministry," an official said. He added that to facilitate free trips to China, there should first be some security precautionary measures such as steps to keep people from illegally entering North Korea by way of China.

"Given the time needed to prepare such steps, we believe travels to China could be liberalized toward the end of March," he said.

Presently, a person wishing to visit China, Cuba, Laos or Cambodia should obtain an invitation from an organization or firm of the country he likes to visit and then obtain a government permit to go.

Seoul, Beijing To Sign Cultural Agreement in Mar

SK3101014994 Seoul YONHAP in English 0047 GMT 31 Jan 94

[Text] Seoul, Jan. 31 (YONHAP)—South Korea and China will sign an agreement on cultural exchanges in March, a government official said here on Monday.

"Seoul and Beijing have agreed to sign the agreement on cultural exchanges and are now negotiating details of the agreement. The agreement is to be initialed in February and is likely to be signed officially in March," the official said.

"China sent a draft agreement to Seoul and we delivered our reply, and recently China returned its revised draft. The drafts of both countries are nearly similar, so the agreement will be initialed by the end of February," he said.

It usually takes a month from initialing an agreement to its formal signing, so Seoul and Beijing are expected to sign the accord formally in March.

"The agreement refers to cooperation in many areas like culture, art, academics, education and sports and it will serve as momentum to boost cultural exchanges between Korea and China, which have shared close cultural exchanges over thousands of years," the official said.

The agreement stipulates that the two countries set up a Korea-China cultural joint committee, which will deal with details on cultural exchanges.

"Once the agreement is signed, the two nations will undertake joint projects such as restoration of old buildings in China," the official said.

Before the Seventh Century, Koreans controlled a great deal of Northeastern China, so many Korean cultural assets exist in the region.

Seoul, Beijing Agree on Air Traffic Rights

SK3101020594 Seoul YONHAP in English 0103 GMT 31 Jan 94

[Text] Seoul, Jan. 31 (YONHAP)—While tentatively agreeing to open regular direct air services between their two capitals South Korea and China have decided not to grant one another beyond-point traffic rights that permit flights through their respective airspace for travel to third-country destinations, informed sources here said Monday.

Thus when the Seoul-Beijing route opens, which may take place as early as April, Europe-bound Korean Airlines cannot fly over China and Chinese carriers are not permitted to use Korean airspace for travel to the United States or Japan, the sources said.

"We (Seoul and Beijing) did agree on having beyond-point traffic rights in principle, but we decided to apply the rights in the future when we find them necessary," a Seoul government official said.

The two governments agreed not to initiate beyond-point traffic rights at present because when they do, the Seoul-Beijing route could become an international one as it may be opened to other airlines and they fear a loss of passengers, he said.

They reached tentative agreement on opening a direct air route between the two capitals after a week of working-level talks in Beijing that started Jan. 17.

The agreement is expected to be put into writing next month in the fifth bilateral aviation talks.

Seoul, PRC Agree To Restore Historical Building

SK2901021494 Seoul YONHAP in English 0054 GMT 29 Jan 94

[Text] Seoul, Jan. 29 (YONHAP)—South Korea and China have agreed to restore the building used by the Korean provisional government in Chongqing, China, by Aug. 15 next year, a Foreign Ministry official said Saturday.

When Japan annexed Korea in 1910 and ruled the country until 1945, Korean independence fighters set up a government-in-exile in Shanghai, China. They later moved it to Chongqing along with the Chinese nationalist party, when the Japanese invaded China.

"Seoul and Beijing agreed to restore the building of the Korean provisional government in Chongqing last

December and the restoration work will begin in the first half of this year and will be completed by Aug. 15 next year," the official said.

Aug. 15 is the day when Korea gained independence from Japan in 1945 at the end of the World War II.

"The area near the site of the Korean provisional government in Chongqing is to be demolished for land development, but Seoul and Beijing have agreed to restore the building of the Korean provisional government. Seoul will invest 1.3 million U.S. dollars for it and Beijing will chip in 2 million dollars," he said.

The premises will include two four-story structures and two two-story buildings with an aggregate floor space of 1,712 square meters.

President Congratulates Hosokawa on Reform Victory

SK2901130494 Seoul YONHAP in English 1255 GMT 29 Jan 94

[Text] Seoul, Jan. 29 (YONHAP)—President Kim Yong-sam congratulated Japanese Prime Minister Morihiro Hosokawa on his victory in a parliamentary battle for political reforms in a telephone conversation on Saturday evening. Hosokawa said he was pleased with the passage at the 11th hour by the Diet (parliament) of a political reform bill that has caused two governments to fall in the past six years and put his coalition cabinet on the brink of collapse.

The bill has drawn the world's keen attention for its aim of reforming Japan's political system and its failure would damage Japan's image in the international community, he added.

Kim said he is expecting his visit to Japan in March to provide another opportunity for the two countries to increase bilateral relations and for "both of us to deepen our friendship," as their meetings in Kyongju and Seattle did.

Kim then called for close cooperation among South Korea, the United States and Japan in the effort to achieve peace in Northeast Asia and in the world as well, expressing hope that the U.S.-Japan summit slated for next month will be successful.

Ambassador to Japan Interviewed on Relations

SK0102060594 Seoul HANGUK ILBO in Korean 1 Feb 94 p 2

[Text] In a meeting with reporters on 31 January, Kong No-myong, ROK ambassador to Japan, said: "It is time to hold full-scale discussions on ROK-Japanese cultural exchanges based on personnel exchanges. Particularly in this Visit Korea Year, the government must reexamine its tourist policy to induce Japanese tourists, who patronize ROK tourism the most, and consider adding Chinese characters to Korean signs."

Ambassador Kong, who returned home temporarily to attend the overseas mission chiefs meeting to be held here beginning 2 February, said that our people should abandon their "new policy of seclusion" [saeroun swoeguk chongchaek] for internationalization and opening up.

The following are questions and answers from the meeting between Ambassador Kong and reporters:

[Unidentified reporter] Some people point out that it is too early for the ROK to exchange mass culture [taejung munhwa] with Japan in view of the present indiscriminate infiltration of Japanese culture.

[Kong No-myong] Japanese books, video tapes, and television programs from satellite broadcasting services are now virtually opened to us. We should publicly introduce high-quality mass culture instead of overlooking its unlawful infiltration. An agreement on the general opening of mass cultural markets was reached in ROK-Japanese summit talks held last year, but the details of this issue have yet to be discussed. Accordingly, we have to hurry to take active measures.

[Reporter] What are the main agenda items to be discussed during President Kim Yong-sam's visit to Japan in March?

[Kong] There is no pending political issue. Issues on economic cooperation between the ROK and Japan, such as mutual cooperative relations in preparation for the Uruguay Round treaty and methods to vitalize the ROK-Japanese Industrial and Technological Cooperation Committee, will be discussed.

[Reporter] Will President Kim meet Japanese Emperor Akihito when he visits Japan? Will the Japanese emperor visit the ROK?

[Kong] As his Japan visit is a state visit, President Kim will probably meet the Japanese emperor. If the Japanese emperor visits the ROK, it would be a significant event. The decision on the date of his ROK visit is a domestic affairs matter and must be made prudently.

[Reporter] Does the North Korean nuclear issue have any relation to the establishment of diplomatic relations between Japan and North Korea?

[Kong] Japan is willing to resume negotiations with North Korea whenever it wants. North Korea, however, has not yet made any noteworthy sign. Japan says that the resolution of the North Korean nuclear issue is not a prerequisite [chonje chogon] for Japanese-North Korean negotiations on establishment of diplomatic ties, although the nuclear issue is important.

Former Philippines President Meets Kim Yong-sam

SK2901091794 Seoul YONHAP in English 0826 GMT 29 Jan 94

[Text] Seoul, Jan. 29 (YONHAP)—President Kim Yong-sam and former Philippine President Corazon Aquino exchanged opinions on democracy, reforms and Philippine workers in Korea during their meeting at Chongwadae [presidential office] on Saturday morning.

"I know well that you've contributed much to the democratization process in your country," Kim told her, "and I gave my spiritual support to your democratization movement at the time. I was also in the democratization movement in Korea and I know well the difficulties you must have had in that movement."

Noting that some 15,000 Philippine workers are in Korea now, Kim said he had instructed the cabinet to take steps to improve working conditions of foreign workers to the level of those for domestic workers, including a step for foreign workers to benefit from the industrial accident insurance system, Chongwadae Spokesman Chu Ton-sik said.

"Our trade with China has exceeded the 10-billion-U.S.-dollar mark, though we established diplomatic relations only two years ago," Kim said, "but the trade between Korea and the Philippines is slow in growth, compared with a long history of relations between the two countries."

The former Philippine president said she would tell President Fidel Ramos to take measures for increased trade with South Korea and asked for special consideration of Philippine workers, as there would be more and more foreign workers in Korea in the future.

When Kim thanks her for Philippine support in the Korean war, she said her husband, the late Sen. Aquino, had been a war correspondent during the war, and added, "because of this he won many votes in elections."

Many leaders of the world consider President Kim's political reforms as a model for them, she told Kim.

Government, European Union Vow To Forge Ties

SK2701124594 Seoul YONHAP in English 1034 GMT 27 Jan 94

[Text] Seoul, Jan. 27 (YONHAP)—The Parliaments of South Korea and the European Union (EU) on Thursday vowed to help forge close political and economic relations between Korea and the EU. The pledge was contained in a joint statement adopted by representatives of the two congresses in their meeting in Seoul Thursday afternoon. The statement said that the two sides decided to promote bilateral relations through a basic treaty on economic cooperation and a joint manifesto for close political consultations. The two parliaments decided to establish their consultative organization soon after general elections of the EU Parliament were held in June this year.

The statement also said the two sides would support the creation of an experts club to study ways to promote bilateral relations and would strive to ensure stepped-up cooperation between the EU and APEC (Asian-Pacific Economic Cooperation).

The meeting was attended by about 20 parliamentary delegates from the two sides. South Korean legislators were led by Yi Han-tong of the Democratic Liberal Party and the head of the EU delegation was G. Rinsche.

Agriculture Accord Reached With New South Wales

SK2901014394 Seoul THE KOREA HERALD in English 29 Jan 94 p 8

[Text] Agricultural & Fishery Marketing Corp. yesterday agreed with the Australian state of New South Wales to promote bilateral cooperation on trade of agricultural and fishery products between Korea and Australia, a corporation spokesman said.

For this, Sin Tae-chin, the corporation's president, signed a contract with Ian Causley, agriculture minister of the Australian state, to establish a collaboration body between food institutions of the two sides, he said.

Last year, meanwhile, the state-run corporation's exports of agricultural, livestock, forestry and fishery products rose sharply 124 percent to $305 million from a year earlier, according to the spokesman.

By field, shipments of agricultural and livestock products soared 148 percent to $101 million in 1993 from the year before, while exports of fishery products skyrocketed 212 percent to $92 million, he said.

Export Contracts Signed on Agricultural Products

SK2801081594 Seoul YONHAP in English 0639 GMT 28 Jan 94

[Text] Seoul, Jan. 28 (YONHAP)—The Agricultural and Fishery Marketing Corp. (AFMC) signed export contracts for Korean farm products worth 2.57 million U.S. dollars at the Berlin International Farm Products Fair, which ended Jan. 23, an AFMC spokesman said Friday.

Fifteen Korean companies displayed 54 items at the fair, with the most popular being sweet rice drink, pumpkin soup, kimchi, odorless garlic and chicken soup with ginseng. Ginseng products, a main export item, were not displayed at the fair so the contracts were poor. AFMC will attend nine international farm products fairs this year, including the Berlin Fair, to make Korean products better known to the world.

Missions Designated Internationalization Hubs

SK2901021794 Seoul YONHAP in English 0148 GMT 29 Jan 94

[Text] Seoul, Jan. 29 (YONHAP)—The Foreign Ministry designated 15 overseas missions as diplomatic hubs for the country's efforts for internationalization, a senior ministry official said Saturday.

The fifteen are embassies in the United States, Japan, Germany, France, Britain, Italy, Canada, Australia, Switzerland, Austria, Belgium, Netherlands, Sweden, Hong Kong and Singapore.

The missions will take on the job of gathering information on high technology and high quality products and deliver them to Seoul, he said.

They will also collect, investigate and analyze information, laws and practices on environment protection and transportation and will report the results to Seoul.

The Foreign Ministry also is studying plans to form a large-scale inspection team with officials of related ministries and send it to foreign countries.

Meanwhile, the ministry will issue daily reports on international situation with assistance of the Institute of Foreign Affairs and National Security and will distribute them to related ministries.

Presidential Family's Assets Increase $2.5 Million

SK0102015794 Seoul YONHAP in English 0125 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—President Kim Yong-sam has registered his family's assets at 2.08 billion won (2.5 million U.S. dollars) this year, up 440.59 million won from last summer due mainly to the growth of his father's fishing business. Under the public servants' ethics law, government officials above the grade one level who are obliged to disclose assets had to report any change in their financial standing since registration last Aug. 12 by Monday.

Kim himself is worth 575 million won, up 15.21 million won from 560.29 million won last August, due to the accumulation of monthly savings of 3 million won.

His other assets include a 410-million-won house in Sangdo-tong, Seoul, and 150 million won worth of farmland in Koje, South Kyongsang Province.

Thanks to a bumper anchovy harvest, his father, Kim Hong-cho, increased his wealth by 425.38 million won, which he has deposited in three separate banks.

President Kim's wealth grew by 15.21 million won due to interest increases in his monthly savings while his father benefited from the fact that he can deposit all his earnings now that he no longer has to contribute to his son's political activities, according to Hong In-kil, senior presidential secretary for administrative affairs.

Another change in Kim's assets resulted from his second daughter-in-law's purchase of a used car for 6 million won last September.

Ministry To Reduce Number of Senior Officials

SK0102033594 Seoul YONHAP in English 0257 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—The Foreign Ministry may decide to reduce the number of vice minister-level senior officials at the special grade one level by three to four a year over five years in a bid to cut staff and rationalize the organization's structure, officials said Tuesday. The Ministry is studying ways to eliminate the posts of 17 senior officials, according to the official.

A senior official at the Ministry said, "there has been criticism that the Ministry has too many special grade one officials and too few working-level officials.

"A recent meeting of the Ministry's senior officials almost agreed to the reduction of the organization's staff. If things go well, we plan to receive approval from the minister and revise the executive ordinance of the Public Servants' Law covering foreign affairs. We want to begin the reduction within the first half of this year."

Other ministries do not have the positions of special grade one or two level officials, which are unique to the Foreign Ministry.

Under the plan, the number of special grade one level officials will decrease from 47 to 30 over five years, while that of special grade two level officials at the assistant minister level will be maintained at the current 35.

In contrast, the number of grade one level officials will rise from the current 53 to 70.

Farmers, Students Stage Demonstration in Seoul

SK0102123094 Seoul YONHAP in English 1220 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—About 20,000 farmers and students staged a violent demonstration in downtown Seoul Tuesday afternoon, clashing with riot police and destroying police and other vehicles. About 60 demonstrators and policemen were injured.

Following a national farmers rally against the rice market opening, held at the Marronnier Park at Tongsung-tong at 1 PM, the participating farmers and students totaling about 20,000 marched along the Chongno Street carrying placards that read, "Kim Yong-sam Government Should Step Down" and "Hold Uruguay Round Talks Again."

As the demonstrators tried to proceed toward the American Embassy and Chongwadae [presidential residence], police cordoned them off, in the course of which they violently clashed with stick-wielding demonstrators.

A group of demonstrators raided three unoccupied police buses near Samil Building, setting fire to one of them and smashing the windows of the two tohers. They also destoryed a nearby garbage truck and smashed the doors of a KBS sedan.

In another action, student demonstrators surrounded 100 riot police at Chongkye 2-ka and collected and set fire to their helmets, shields and gas masks.

The police decided to criminally punish those who took part in violence as well as those who organized the rally.

The rally was attended by Yi Ki-taek, head of the Democratic Party, 11 other opposition party lawmakers, and a number of dissident leaders.

Army Training Exercises in Seoul Planned

SK0102051694 Seoul YONHAP in English 0504 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—Some Army troops and armored personnel carriers will pass through downtown Seoul on Wednesday and Saturday for a field training, a Defense Ministry spokesman said Tuesday. The route will be Namhyondong-isu crossroad-Songsu Great Bridge- Kunja Bridge-Wollung Bridge-Saenmal and the time will be from 5 a.m. to 6 a.m. Wednesday and from 1 a.m. to 2 a.m. Saturday. The spokesman called on nearby residents not to be frightened by the Army's movements at night.

Global Crimes Information Center Established

SK2901020594 Seoul THE KOREA HERALD in English 29 Jan 94 p 3

[Text] The Agency for National Security Planning (NSP), the nation's top intelligence agency, has established an "information center for international crimes" to tackle increasing terror, smuggling and narcotics-related crimes, the NSP announced yesterday.

The NSP will also open offices to receive reports on such crimes in five major cities—Seoul and port cities of Pusan, Inchon, Cheju and Masan.

An NSP spokesman said that the agency's move is to counter effectively the growing number of international organized crimes which occurred in the country recently. It is seen as part of the agency's effort to suit itself to the changing political and economic atmosphere.

The NSP will fight against such crimes in the context of national security, said the spokesman.

The spokesman said the newly established information center absorbs the "counter-narcotics information center" initiated last June. Last year, the counter-narcotics center collected over 300 pieces of drug-related information and distributed them to the prosecution, police and foreign intelligence agencies, according to the spokesman.

Economic Planning Board Announces Restructuring

SK0102020894 Seoul THE KOREA TIMES in English 1 Feb 94 p 8

[Text] The Economic Planning Board [EPB] yesterday announced the restructuring of the top economic policy-making body by trimming redundant organs. Under the plan, two assistant minister-level posts—assistant minister for international policy coordination and one in three standing members at the Fair Trade Commission [FTC]—were abolished.

The plan also called for abolishing two director-general posts, one in the international policy coordination office and economic information and education bureau.

At the same time, eight director-level posts in the international policy coordination office, economic information and education bureau and performance evaluation bureau were scrapped.

Instead, five director-level posts—three in the budget office and two in the FTC—will be established to adapt to the changing economic environment, resulting in a net loss of three director-level posts, EPB officials said.

The EPB said the organizational change came in response to a widely-claimed principle for a "small but efficient" government which President Kim Yong-sam has advocated consistently since taking office last February.

Analysts said the EPB moves will spark a chain reaction to slim down other government ministries which have been concerned about public clamor for a small government.

Under the plan, an assistant economic planning minister will be authorized to oversee the function of the now-defunct assistant minister for international policy coordination.

The international policy coordination office will be scaled down to a bureau which will encompass five divisions and will be led by two directors general.

The most striking of the EPB's organizational changes was to establish a new bureau commissioned by a director general fully in charge of the defense budget in the budget office.

The EPB said the establishment of a new bureau in the budget office is aimed at making a thorough examination of the defense budget which has long remained as a sanctuary in the government budgeting process.

Analysts said now the EPB will be able to examine government outlays made under the Yulgok military buildup program, which has stirred a major controversy over irregularities recently.

Firms Expect Upturn With Semiconductor, Car Sales

SK0102081194 Seoul YONHAP in English 0713 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—There are numerous indications that the South Korean economy is poised for recovery as hope of a coming boom spreads throughout the business community, though the degree of such expectations differs by industry.

The semiconductor industry has become one of the leading players in the economy's upward movement, thanks to the expanding world chip market and the competitive edge of Korean chips in quality and price over their rivals on the world market.

A semiconductor department official at Samsung Electronics Co. said, "the state of meeting 80 percent to 90 percent of our orders is continuing into this year. Our exports in January are likely to exceed the year-on-year rise of 80 percent we recorded a year earlier because exports in January last year were not very brisk."

The automobile industry is also enjoying brisk business.

A Hyundai motor official said his company's exports and domestic sales in January should increase 50 percent and 15 percent, respectively, on a year-on-year basis, though January and February are usually the off-season for the car industry.

"We expect domestic sales in January to increase 25 percent from a year earlier, and I think exports will start increasing sharply in March though they were slow in January," said Kang Yong-ho, a Daewoo Motor board member.

The improving electronics and automobile industries are pulling up the steel industry, as they are major users of steel.

Yi Ku-taek, executive director of Pohang Iron and Steel Co., was happy about the improvement: "Business started improving in January, and we expect sales of steel plates and sheets to increase more than nine percent this year."

The consumer electronics industry anticipates that it will achieve growth of 10 pecent to 15 percent in the coming year.

"The strong yen and the resulting hardships facing Japanese firms, the U.S. market's recovery, labor peace, low oil prices and the stabilized exchange rate of the won against major foreign currencies will push up exports of consumer electronics goods more than 20 percent in 1994," Yi Pyong-song, a board member of Goldstar Co., predicted.

Seoul's department stores, which ran a 10-day sale last month, expect to record sales growth of more than 30 percent in January. With the lunar new year season coming in the second week of February and the spring fashion sales in March, they anticipate no recession in 1994. The situation is just the opposite, however, in the traditonal marketplaces. Although lunar new year's day is only 10 days away, Namdaemun Market merchants are complaining that they alone remain mired in recession.

A dealer in children's clothes said, "my sales these days are less than half of what I sold a year ago."

The shipbuilding industry, which enjoyed a big boom last year, is not very optimistic about its prospects for the coming year. The industry has enough orders to keep it busy until the end of next year but the Japanese, who are striving to recapture their place as the world's top shipbuilders, pose a formidable challenge. Moreover, the cargo shipping industry shows few signs of expansion or a business upturn.

Kim Yon-sin, planning officer of Daewoo Shipbuilding and Heavy Machinery, said, "we can hardly expect as good a business in the new year as we enjoyed last year. One of the reasons is that shipyards' excessive competition for expansion makes shipping firms put off placing orders for new ships until the race is over."

Advisory Council To Prepare for Reunification

SK3101045894 Seoul YONHAP in English 0234 GMT 31 Jan 94

[Text] Seoul, Jan. 31 (YONHAP)—President Kim Yong-sam has predicted that North Korea's nuclear issue will be solved in one way or another within this year to provide a turning point for inter-Korean relations.

When the nuclear issue is solved, the government will promote active cooperation and exchange programs with North Korea under the three-stage unification policy which calls for reconciliation and cooperation, the formation of commonwealth and reunification.

The chief executive made the prediction after he was briefed by Secretary General Yu Kyong-hyon of the Advisory Council on Democratic and Peaceful Unification on the council's programs for 1994 at Chongwadae [presidential offices] on Monday morning.

He stressed the need for national preparations for unification, saying unification is not only a hopeful future of the nation but also a challenge testing the nation's economic and social power.

The council must take its root in the people as a trusted unification organization and seek to achieve national consensus on unification.

Kim called on the council to increase the use of some 1,000 members in 46 countries for stepped-up overseas programs, saying an approach to North Korea's closed society through overseas Koreans may be effective in creating a unification environment in the North.

In his briefing, Secretary General Yu said the council would focus its overseas programs on Korean communities of more than 10,000 in Japan, the United States, Germany, Canada and other countries and increase exchange programs with ethnic Koreans in China in a bid to win their support for Korean reunification.

The council will prepare several unification scenarios and increase both direct and indirect programs designed to help North Korea open its doors to the world.

To provide students and housewives with an opportunity to discuss their views of unification and thus to achieve national consensus, the council will provide unification forums and classes for them.

Yu said the council would name some 300 specialists as monitors of the developments of North Korean and international situations related to Korean unification to make trustworthy unification policy recommendations to the government.

Opposition Leader Reveals Nuclear Position

SK0102022694 Seoul THE KOREA HERALD in English 1 Feb 94 p 2

[Text] Opposition Democratic Party [DP] leader Yi Ki-taek said yesterday that he is opposed to any international sanctions against Pyongyang to resolve the North Korean nuclear issue.

"I expect the nuclear problem on the Korean Peninsula to be settled in a peaceful way within this year," Yi said in a news conference with the Seoul Foreign Correspondents' Club held at the Press Center, downtown Seoul.

Commenting on the declaration by the Seoul and Pyongyang governments on denuclearization of the peninsula in 1992, Yi said peaceful use of the nuclear energy should not be hindered.

"For the same reason, I object to turning the declaration into an international treaty," Yi said. Yi reaffirmed his position on his plan to meet with North Korean President Kim Il-song in Pyongyang.

"As soon as the special National Assembly session winds up in early March, I will file an application with the government to visit North Korea," said Yi.

"I will discuss with Kim Il-song various pending inter-Korean issues such as the easing of tensions on the peninsula, resumption of talks, economic cooperation, and reunion of separated families," he added.

Yi said a recent poll by the DP found 55 percent of the people in favor of his planned visit to Pyongyang, while just 22 percent responded negatively.

The opposition leader also urged the administration to show more independent attitude toward the negotiations to solve the North Korean nuclear problem.

"The absence of Seoul negotiators in the talks to settle the nuclear issue can be serious obstacle to the national unification," Yi said.

"The government should break away from the practice of depending too much on the United States," he said.

Yi made clear again that the main opposition party will veto the Uruguay Round trade deal at the Assembly, saying that domestic rice market liberalization is certain to "destroy" the farming community.

Retired Opposition Leader Departs for Europe

SK2901103894 Seoul YONHAP in English 0925 GMT 29 Jan 94

[Text] Seoul, Jan. 29 (YONHAP)—Retired opposition leader Kim Tae-chung left Seoul Saturday for 10-day visits to Norway, Sweden and Denmark. Kim, who is chairman of Board of Directors of the Kim Tae-chung Peace Foundation, is scheduled first to go to Norway where he will meet with Foreign Minister Jan Egeland and other senior government officials, lawmakers, journalists for exchanging views of mutual interests.

In Sweden, Kim will meet with Vice Prime Minister Bengt Westerberg, Foreign Minister Margaretha Ugglas and Chairman of Foreign Affairs Committee of Legislature Daniel Tarschys.

In Denmark, he plans to meet with Foreign Minister Niels Helveg Petersen and will give a speech at Foreign Policy Council with a theme "roads to unification of the Korean peninsula."

Chairman of the main opposition Democratic Party Yi Ki-taek, visited Kim's home at Tonggyo-tong, western Seoul, Saturday morning and bid bon voyage to Kim.

Former Senior Presidential Secretary Released

SK2901020694 Seoul THE KOREA HERALD in English 29 Jan 94 p 3

[Text] Rep. Kim Chong-in, former senior presidential secretary for economic affairs, was freed from prison yesterday after the Seoul Appellate Court reduced his sentence to two-and-a-half years in prison with a four-year suspension of execution. He was fined 210 million won.

The Seoul District Court sentenced Kim to a five-year prison term.

The appellate court also released An Yong-mo, former president of the Tonghwa Bank, by giving him the same period prison term with a four-year suspension of execution. It fined An 80 million won.

Measures To Deter Stock Exchange 'Overheating'

SK2801124294 Seoul YONHAP in English 1150 GMT 28 Jan 94

[Text] Seoul, Jan. 28 (YONHAP)—The government on Friday announced a set of second-stage measures to discourage the overheating of the stock exchange.

The steps came on heels of a steep rise of share prices to the highest in four years.

The new measures feature expanding the volume of shares to be additionally supplied to the market by 3,200 billion won worth of shares from the initially planned 7,000 billion won worth to 10,200 billion won.

Securities authorities announced the first-stage measures to contain excessive stock price increase on last Jan. 17.

The government also decided to prepare very shortly steps to have the stock market stabilization fund sell off those shares it holds whose prices have risen recently and buy low-priced issues instead.

The 3,200-billion-won increase in the volume of additional supply of shares is set to be made through the listing of some unlisted firms, selling of those shares held by institutional investors, and the selling of government-held shares of those public banks set to be privatized.

Depending on the effect these second-stage steps will have on the stock market, the government will, if it is deemed necessary, allow banking institutions to increase their capital beginning May this year.

Hyundai Takes Over U.S. Computer Parts Maker

SK3001012094 Seoul THE KOREA HERALD in English 30 Jan 94 p 1

[Text] The Ministry of Finance yesterday approved the Hyundai Business Group's plan to take over a U.S. computer parts maker for $150 million. Hyundai Electronic Industries Co. and three other Hyundai corporations contracted to buy Maxtor Co., a San Jose-based hard disc manufacturer, last August. The Hyundai companies agreed to finance their acquisition with a loan from Citibank, a U.S. bank which Hyundai said has promised to lend $150 million.

The takeover of Maxtor, the fifth largest hard disc manufacturer in the world, which has production lines in Hong Kong and Singapore, is certain to add muscle to the Hyundai Business Group's electronics division. To obtain approval for its takeover plan, a government official said, the Hyundai Business Group lobbied hard at the Economic Planning Board, the Ministry of Trade, Industry Energy, the Ministry of Foreign Affairs as well as the Ministry of Finance and the Bank of Korea. Officials from these government agencies form the committee deliberating on foreign direct investments, chaired by Yim Chang-yol, second assistant minister of finance. Instead of holding a meeting on Hyundai's acquisition plan, the committee received written opinions from its members by Friday.

Based on the committee members' opinions in favor of Hyundai, the Ministry of Finance instructed the Bank of Korea yesterday morning to give a green light to the takeover plan. Does this approval by the ministry signal any change in the government attitude toward the Hyundai Business Group, whose founder Chong Chu-yong antagonized President Kim Yong-sam by challenging him in the presidential election in December 1992? There are signs of improving relations between the government and the Hyundai Business Group.

When he encountered Chong at Korea University where the late honorary chairman of a vernacular newspaper lay in state last week, President Kim smiled and shook hands with the Hyundai founder. Another sign of improvement came earlier this month when the Bank of Korea approved Hyundai Motor Co.'s plan to invest $6.8 million in a joint venture auto company with a Malaysian corporation.

Despite these signs of improvement, however, it may be too early to say that the government has buried the hatchet. Though it has approved Hyundai's plans for investments abroad, the government is holding back its decision on Hyundai's plans to raise funds for investment in the nation. The Hyundai Business Group has applied to the Korea Development Bank for 832 billion won in loans to finance its auto, electronics projects and other projects.

It is apparent the government-owned bank cannot make any decision on the issue without a cue from the government, although an official from the Ministry of Finance maintained that his ministry is not involved in any specific loan request to the bank. In addition, the Securities Supervisory Board has not allowed Hyundai Housing and Industrial Development Co. and three other Hyundai corporations yet to sell their stocks over the counter.

Consumer Prices Rise 1.3 Percent in January

SK0102025794 Seoul YONHAP in English 0159 GMT 1 Feb 94

[Text] Seoul, Feb. 1 (YONHAP)—Consumer and producer prices in January rose 1.3 percent and 1.1 percent, respectively, from December, according to the National Statistical Office and the Bank of Korea.

The figures were up 0.5 percentage point from the increase recorded a year earlier for consumer prices and 0.7 percentage point for producer prices, largely due to higher oil, cigarette and farm prices. Farm prices rose 3.7 percent and livestock prices went up 1.7 percent, while fish prices dipped 0.3 percent. Fresh food prices as a whole surged 3.9 percent compared with the 3.6 percent registered in January last year.

Processed food prices inched up 0.7 percent and public utility charges increased 1.3 percent.

Steel prices rose, while the prices of whiskey, video-tape recorders and ready-made concrete fell.

Chong Chae-yong, the Economic Planning Board official in charge of price policy, on Tuesday blamed higher cigarette and oil taxes and the lean crops caused by last year's cold summer for the sharp consumer price hike in January, but said prices would stablize in the second quarter to record a six-percent increase for the whole of this year, the same inflation level as last year.

Brunei, Malaysia & Singapore

Malaysia

Mahathir on PBS Using 'Sentiments' To Keep Power

BK0102073794 Kuala Lumpur Voice of Malaysia in English 0600 GMT 1 Feb 94

[Text] Datuk Sri Dr. Mahathir Mohamed has expressed regret over tendencies of the Sabah United Party, PBS, State Government to use sentiments to cover up economic and development problems in its bid to retain power in the state. He said PBS leaders were willing to do anything to ensure their continued administration in the state, including the use of sentiments and creating hatred toward the federal government. The prime minister was addressing a dinner function organized by the Sabah Bumiputera [Indigenous]-Chinese chambers of commerce and industry in Kota Kinabalu last night.

Datuk Sri Dr. Mahathir clarified that the political stability and peace was the main factor for the rapid economic development in the country, which is able to maintain a growth rate of eight percent for six consecutive years. However, according to him, this was the national average per se. States like Pahang, Johor, and Melaka have achieved a 13-percent growth rate, while Sabah has recorded the lowest growth rate—just a mere four percent. The prime minister explained that the federal government has no ill intention toward the people of Sabah and the federal government will assist a state toward development for the benefit of all the people in that state.

Statistics Department Reports Trade Surplus

BK0102101694 Kuala Lumpur NEW STRAITS TIMES in English 29 Jan 94 p 18

[Excerpts] Malaysia achieved a trade surplus of RM3.9 billion [Malaysian currency] for January to October 1993, compared with a smaller surplus of RM648.2 million during the corresponding period of 1992.

The Statistics Department reported that the improved trade position was due to stronger demand, which induced higher export growth compared with that of imports. Exports expanded by 18 percent from the 10 months in 1992 to RM100.2 billion as against a 14.3 percent growth in imports at RM96.3 billion. [passage omitted]

For the 10-month period under review, the acceleration of export growth was largely contributed by significant increases in the exports of manufactured goods (+36.8 percent), machinery and transport equipment (+29.7 percent) and miscellaneous manufactured articles (+10.7 percent). These three major components contributed to 67.9 percent of total export earnings.

The department reported that exports of mineral fuel, the second largest contributor to export value, experienced a reduction of 5.2 percent in earnings when compared with the same period in 1992.

The growth in imports was largely contributed by higher imports of machinery and transport equipment (+16.6 percent), which accounted for 55.7 percent of total import receipts.

Malaysia's major trading partners during January-October 1993 were Japan, the United States, Singapre, Taiwan, Germany, the United Kingdom, South Korea and Hong Kong, which collectively accounted for 75.4 percent of the total trade.

Cambodia

Hun Sen Comments to Aid Officials on Crime

BK0102080794 Hong Kong AFP in English 1139 GMT 31 Jan 94

[Text] PHNOM PENH, Jan 31 (AFP)—Cambodian co-premier Hun Sen announced Monday that the government was taking steps to curb the country's escalating crime wave and admitted that security officials were partly to blame.

Aid-relief agencies have threatened to pull out of the war-ravaged country because of continued attacks against their personnel and equipment.

"There are some crimes which are carried out by the forces of the royal government, we do not shy away from informing you about the truth of this," Hun Sen told an audience of aid agency and diplomatic officials.

The co-premier said he called the meeting after he and fellow co-premier Prince Norodom Ranariddh received a letter from aid organisation representatives voicing concern over highway holdups and the theft of vehicles. "I would like to take this opportunity on behalf of his royal highness Prince Norodom Ranariddh to appeal to you to understand the situation in Cambodia and not to stop aid to Cambodia," he said.

Aid officials said they welcomed the fact that the government was paying attention to the problem but complained that the co-premier did not offer any real concrete measures to improve the overall situation.

"I didn't see anything specifically new coming out of this. I can't say that it was really encouraging," one official said.

Hun Sen said the audience was rightfully concerned about an incident on January 13, when four of 11 bandits who stole two all-terrain vehicles belonging to the United Nations Development Programme turned out to be bodyguards for high-ranking leaders.

Two bodyguards were shot dead by police at the scene and two were captured later, Hun Sen said.

One of the dead had acted as a barber for senior party officials and "gave me a haircut on Janaury 11," Hun Sen said. But just because their bodyguards committed crimes does not mean the senior leaders were also involved, Hun Sen said.

In response to charges from the aid community that the military was often involved in highway extortion and robbery, Hun Sen said it was easy for anyone to buy military uniforms in the marketplace.

"But that does not mean that the government does not have bad forces, within every thousand there is one bad," he said. However, he said, if all government forces were withdrawn it would leave the roads open to attacks and robberies by the Khmer Rouge.

The co-premiers, in conjunction with the ministries of defence and interior, were taking measures to improve the situation in the countryside, Hun Sen said. But he said the government was caught between the problem of security and that of the Khmer Rouge.

He said police were aware of illegal weapons in some houses, but they did not take action because of concerns about "violating human rights."

Similarly, the police knew the identities of some criminals but had to wait to catch them in the act.

"This is the difficulty faced by the government. The government has become a buffer zone between criminals and human rights," Hun Sen said.

The co-premier, however, said he thought the problem could be brought under control.

He advised embassies and aid agencies to check with police before hiring local staff to ensure they had no criminal records and also suggested they advise appropriate authorities of their plans before travelling in the countryside. The ministry of interior could also provide bodyguards, Hun Sen said.

"Rest assured, the ministry will select good forces for you," he said.

Ranariddh Asks for Canadian Assistance

BK0102083494 Phnom Penh National Radio of Cambodia Network in Cambodian 0430 GMT 1 Feb 94

[Text] On the afternoon of 31 January, yesterday, Prince Krompreah Norodom Ranariddh, first prime minister, received His Excellency [H.E.] (Howard Balloch), assistant of the Canadian minister of foreign affairs and foreign trade, for talks.

Prince Krompreah thanked Canada profoundly for its attention and assistance to Cambodia regarding the Geneva conference, the Paris peace agreement, and mine clearing. Furthermore, Prince Krompreah proposed that Canada assist in building hydropower dams, communications, and power plants; and in giving professional training to the Khmer Royal Armed Forces. He also suggested that Canada send businessmen to invest in Cambodia.

H.E. (Howard Balloch) disclosed that Canada will continue to provide more assistance in clearing mines in Cambodia. As for other proposals put forward by Prince Krompreah, he said he will convey them to the Canadian Government so that the latter can assist in these matters.

NADK Spokesman Statement on Anlung Veng

BK0102044994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 31 Jan 94

["Rejection" issued by the spokesman for the National Army of Democratic Kampuchea on 31 January; place not given]

[Text] I. Because of their difficult, desperate, and defeated position, (?the puppets) have spread a premeditated rumor that the wife of a high-ranking commander in the National Army of Democratic Kampuchea [NADK] was killed during fighting in Anlung Veng and that this high-ranking commander then fled to Takeo Province.

We would like to confirm that the Vietnamese communist puppets' aggressive attack forces are very far away from Anglung Veng. As a matter of fact, the aggressive attack forces stationed in the eastern part of Samraong are over 50 km away from Anlung Veng; those in the area north of Sre Noy are over 80 km away; and those in Kulen are over 100 km away. Elsewhere, the Vietnamese communist puppets' aggressive attack forces are under attack and are pinned down by the NADK and the Cambodian people.

II. This is a despicable lie on the part of the Vietnamese communists, their puppets, and their alliance. They are bogged down in the military, political, diplomatic, and social fields—both in the countryside and in Phnom Penh. This is an attempt by our enemies—who are facing an impasse and are suffering serious defeats—to fool others.

The purpose of this psychological propaganda is: To threaten and frighten those who seek business contacts with Democratic Kampuchea [DK] in this zone; and to encourage the Vietnamese communist ringleaders and their troops, who are being routed and demoralized on every battlefields across the country, especially the Samraong-Anlung Veng battlefield.

But this self-deceiving propaganda by the Vietnamese communists, their puppets, and their alliance cannot encourage the Vietnamese communist puppet commanders and their troops. On the battlefield, the aggressive attack forces that launched operations against the DK's liberated zone were counterattacked during January by the NADK and the Cambodian people. They suffered heavy defeats: Over 400 of them were killed or wounded; over 700 others deserted; and 36 tanks, armored personnel carriers, and military trucks (?were seized). The Vietnamese communist puppets' aggressive attack forces are currently being smashed to pieces by the NADK and the people [words indistinct]. Under these circumstances, these savage elements are suffering from a shortage of food, ammunition, [words indistinct].

III. During the January fighting, dozens of the Vietnamese communist puppets' military commanders were killed or wounded. These included over 30 commanders between the rank of colonel and first lieutenant as well as six generals.

General Prum Samen of the Vietnamese communist puppets' General Staff was seriously wounded and his tank was totally destroyed by a mine explosion east of Samraong. Gen. Nhoek Bunchhai, first deputy chief of the Vietnamese communist puppets' General Staff, was wounded during the fighting in Samraong on (?24) January. On 25 January, Gen. Long Sopheap, chief of the Vietnamese communist puppets' 4th Military Region, was seriously wounded as his tank was moving from Ba Noem to Samraong. He was quickly sent to a hospital by helicopter.

To summarize, the situation on Route 68—covering Samraong, Siem Reap, Anlung Veng, Kulen, Choam Khsan, Rumchong, and Ampil Districts—shows that the puppets are suffering serious and successive defeats on this battlefield. It shows that the puppet commanders and their troops are being encircled; cut off from each other; and cut off from their supplies of food, [word indistinct] and assistance from the outside. They are in a serious state of desperation, and are waiting only for their doom.
[Dated] 31 January 1994
[Signed] NADK spokesman

NADK on 'Total Defeat' of Anlung Veng Attack

BK0102030194 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 31 Jan 94

[Text] The large-scale offensive by the Vietnamese communist puppets—under the command of the Vietnamese communists—and their alliance suffered total defeat on 31 January 1994.

1. The large-scale offensive by the Vietnamese communists and their alliance began on 1 January in an attempt to open up the Route 69 battlefield and head toward Anlung Veng from Samraong, Sre Noy, and Kulen. The puppet forces mobilized 70 percent of their forces from all over the country to concentrate on this battlefield. Ninety percent of the puppet commanders were sent to direct the fight on this battlefield.
2. Very tense and fierce fighting has been underway on this battlefield for a full month.
3. On 31 January, the National Army of Democratic Kampuchea [NADK] and the people attacked and totally smashed this large-scale campaign launched by the Vietnamese communist puppets, under the command of the Vietnamese communists; their alliance; and the two-headed government.

4. On 31 January, the NADK and the people captured four tanks, two armored personnel carriers, and six military trucks in an area east of Bak Nim after these vehicles stumbled into an ambush by the NADK and the people. The NADK and the people captured three other tanks and three military trucks east of Sre Noy. They killed over 100 enemy troops and wounded over 100 more. Several hundred survivors have retreated.

Laos

Thai Delegation Arrives on Official Visit

BK0102072094 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 1 Feb 94

[Text] A high-level parliamentary delegation from the Kingdom of Thailand led by Professor Marut Bunnak, president of the House of Representatives and of the Parliament of the Kingdom of Thailand, arrived in Vientiane this morning on an official friendship visit to Laos. The visit is being made at the invitation of Saman Vi-gnaket, chairman of the Lao People's Democratic Republic [LPDR] National Assembly. The delegation consists of 10 members of parliament from six different political parties, representatives of the Thai mass media, and other personnel.

An official ceremony to welcome the high-level Thai parliamentary delegation was held at the National Assembly Hall. On hand to welcome Prof. Marut Bunnak, his wife, and the visiting Thai delegation were National Assembly Chairman Saman Vi-gnaket and his wife; Chaleun Yiapaoheu, member of the National Assembly from Oudomsai Province and chief of the National Assembly Secretariat Commission; Dr. Khamliang Phonsena, member of the National Assembly from Champassak Province and chief of the National Assembly Commission for Foreign Relations; and other prominent figures.

The Thai parliamentary delegation's visit to the LPDR is the first of its kind in the 18 years since the establishment of the LPDR. The visit, therefore, is an auspicious sign for the further development and strengthening of the longstanding relations between the two countries of Laos and Thailand, especially between their legislative branches. The Thai delegation's visit to the LPDR will last three days. While they are in Laos, the parliamentary delegations from the two countries will meet to discuss issues of mutual concern. After that, the Thai delegation will pay courtesy calls on Lao party and state leaders and visit three economic and cultural establishments in Vientiane.

Paper Welcomes Thai Delegation's Visit

BK0102084594 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Feb 94

[PASASON Editorial 1 February: "We Wish the Thai Parliamentary Delegation Glorious Success in Its Visit to the Lao People's Democratic Republic"]

[Text] Today, in response to an invitation of His Excellency [H.E.] Saman Vi-gnaket, chairman of the National Assembly of the Lao People's Democratic Republic [LPDR], a delegation of the Thai Parliament led by H.E. Professor Marut Bunnak, speaker of the House of Representatives and president of the Parliament of the Kingdom of Thailand, has arrived in Vientiane for an official friendship visit to our country. The visit is scheduled to take place from 1 to 3 February. On this glorious occasion, residents of Vientiane as well as the multiethnic Lao people throughout the country, together with leaders and all members of the National Assembly of the LPDR, would like to welcome the parliamentary delegation of the Kingdom of Thailand and extend it their warmest salutations. The Lao people are also elated and highly honored to have an opportunity to welcome the high-level state guests of the parliament of a neighboring country, who have brought with them to the Vientiane residents and all the multiethnic Lao people the spirit of solidarity and neighborliness of the Thai people.

The peoples of Laos and Thailand are neighboring peoples who have maintained the traditions of fraternal affection and solidarity since ancient times. The two peoples have adhered to a similar, fine culture and customs. They can also understand each other's language without having to resort to interpreters. With these fine traditions of relations, though there have been certain difficulties and occasional disputes over the border issue in the past, the two sides have successfully settled the difficulties and disputes on the basis of the spirit of fraternity and respect for each other's independence and sovereignty. They have together continued to systematically settle the remaining problems based on the principles of international law and the concrete benefits for the two peoples and countries.

Based on the aforesaid spirit, the relations between the two countries have been developed in many respects: for example, in the economic field. Over recent years, especially following the implementation of the policy of building a market-oriented economy and broadening the economic cooperation with foreign countries, relations and cooperation in various fields—as, for example, in investment for doing business with Thailand—have been rapidly expanded. At present, most investors making investments in Laos are from Thailand. The exchanges of trade d the visits between the Lao and Thai peoples, in particular the legal economic activities carried out along the border areas of the two countries, have significantly contributed to building and developing the countries and improving the living conditions of the two peoples with each passing day. All these have served as favorable conditions for the peoples of the two countries to achieve mutual understanding, as well as to check and smash schemes and acts of ill-intentioned elements, who have intended to disrupt and sabotage the Lao-Thai relations, in order to create a good atmosphere for the opening of the Mekong bridge—the first Lao-Thai friendship bridge—scheduled to be held in April this year.

During the visit to the LPDR on this occasion, H.E. Prof. Marut Bunnak and his parliamentary delegation of the Kingdom of Thailand will pay courtesy calls on H.E. Nouhak Phoumsavan, president of state, and H.E. Khamtai Siphandon, prime minister of the LPDR. Noteworthy is that the Thai parliamentary delegation will also hold talks with a LPDR National Assembly delegation to discuss ways of increasingly promoting and expanding the existing bilateral relations and cooperation. H.E. Prof. Marut Bunnak and his delegation are also scheduled to visit various cultural places, including the Phakeo Buddha and the That Louang Pagoda temples, and a number of economic establishments in Vientiane municipality.

Our Vientiane residents, as well as all multiethnic Lao people throughout the country, wish the Thai parliamentary delegation glorious success in the official friendship visit to the LPDR on this occasion in order to significantly contribute to strengthening the fraternal solidarity and friendship between the two peoples of Laos and Thailand and enhancing relations and cooperation in the economic field between the two countries as well as in the legislative field between the National Assembly of the LPDR and the Parliament of the Kingdom of Thailand. May the fraternal friendship and cooperation between the National Assembly of the LPDR and the Parliament of the Kingdom of Thailand be increasingly developed and strengthened!

Group of 803 Refugees Returns From PRC

BK0102034894 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Feb 94

[Text] A group of 803 Lao refugees from 63 families has returned home from southern China. The ceremony to hand over the refugees was held on 27 January at the Lao-Chinese border checkpoint between Bosin, Laos and (Bohan), China. The ceremony was jointly officiated by Ang Chitdala, head of the Luang Namtha Province Labor and Social Welfare Service, and (Li Tokou), head of the Civil Service in Yunnan Province, PRC. Witnessing the event were representatives of the Lao Consulate in Kunming and of the UNHCR representative offices in Laos, the PRC, and Geneva.

This is the first repatriation of Lao refugees in 1994. So far, more than 2,900 out of approximately 4,000 Lao refugees in southern China have returned to their motherland.

Philippines

ABB Claims Bombing of Oil Company Offices

BK0102074594 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 1 Feb 94

[Text] Two groups from the Alex Boncayao Brigade [ABB] have bombed the main offices of the nation's three leading oil companies—Petron and Shell in Makati, and Caltex-Philippines in Manila—almost simultaneously. After the incident, the ABB called a radio station to claim responsibility for the bombings.

[Begin recording] [Reporter Noel Perfecto] First, the terrorists bombed Petron's main office in Makati at 6:15 AM this morning. The security guard on duty was slightly injured in the blast. Police said that the blast did not cause serious damage to the Petron building, but damaged some windows in the adjacent Mandarin Oriental Hotel building. Five minutes later, the ABB bombed Shell House on Paleros Street in Legaspi Village. There was not much damage from the explosion, because the bomb fell in front of the powerhouse.

Makati Chief Remy Macaspar said that the bombs used were strong enough to kill people and damage property:

[Macaspar, in English] Regional Director General Sarmiento ordered to intensify our intelligence efforts as well as repressive patrolling, such that last evening he was also out there in the field. He really checked the prevailing situation. We concentrated on gasoline stations, but with this development we have to consider everything now.

[Perfecto] According to reports, the bombing of Caltex-Philippines in Manila came five minutes after the bombing of Shell House. Colonel Macaspar disclosed that police had brought the driver of the taxi used by the bombers in for questioning. The driver was identified as Abunjon Dabat. He said that he was forced out of the taxi after the bombings were completed:

[Dabat] Before making a U-turn into the Mandarin Hotel, he told me to pull over in front of the Petron Building. Then he said that he was going to get out and drop something off. When he got out of the taxi cab, I saw him holding something round. Then he lit it and hurled it at Petron's door. Then he returned to the cab and I started driving again. He told me to turn right at Paseo Roxas and right again at Citibank. When we were at the corner near Citibank, he told me to stop because he was going to throw something again. That is what he said.

[Perfecto] Shell House's security guard, identified as Rogelio Valdes, said that the bombers appeared to be youths.

Is this what the object that was thrown at your building looked like? [video shows Perfecto holding several sticks of dynamite wired together]

[Valdes] Yes. It looked like this, but it was wrapped in brown paper.

[Perfecto] Do you think there were also as many sticks as this?

[Valdes] Yes. I think there were as many sticks as that, because it was as big as that.

[Perfecto] But you did not notice that they were using a taxi?

[Valdes] No. I did not notice whether the taxi that passed by my post was the one that the bombers used.

[Perfecto] As of air time, the Capcom [Capital Command] had alerted all of its centers and placed a tight guard on all vital government offices and buildings that are potential bombing targets. [end recording]

In a related development, strict security measures are being implemented at the Energy Regulatory Board [ERB] and Land Transportation Franchising and Regulatory Board. The ERB office received a bomb threat after the bombing of the three oil firms' offices. Strict security is also being enforced at the offices of the National Power Corporation and the Metropolitan Waterworks and Sewer System. Meanwhile, the Philippine National Police call on the public to support the security measures that will be put into place at all sensitive government offices and some private companies.

ARMM Officials To Maintain Positions Until 1996

BK0102062394 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 1 Feb 94

[Text] The officials of the Autonomous Region for Muslim Mindanao [ARMM] will not be dismissed from their posts in connection with the ongoing peace talks. This assurance was given by Nur Misuari, chairman of the Moro National Liberation Front [MNLF], to Senator Santanina Rasul, chair of Senate Committee on Mindanao Affairs.

Misuari said that the MNLF will respect the terms of office of the elected ARMM officials that will end in 1996. He explained that this will not be affected by his proposal for the establishment of a provisional government in Muslim Mindanao.

Misuari also expressed hope for the success of the peace talks.

Thailand

Official Criticizes U.S. Call on Insurance

BK0102113194 Bangkok SIAM RAT in Thai 1 Feb 94 p 17

[Text] Deputy Commerce Minister Chaloemphon Sanitwongchai said that it was inappropriate for U.S. Ambassador David Lambertson to cite the Thai-U.S. Treaty of

Amity to press for permission for Phaisan Insurance Company to open branches in Thailand. The ambassador made his remarks during a meeting with Commerce Minister Uthai Phimchaichon. Although the treaty stipulates that U.S. companies are entitled to equal treatment with their Thai counterparts here, the treaty does not say that Thailand must open its insurance market for the United States.

Thai Governments, past and present, have tried all ways and means, e.g. passage of the copyright law, to have Thailand's name erased from the U.S. Priority Foreign Country watch list (PFC). But the United States still keeps Thailand on the (PWL) [Priority Watch List] list of countries on which it must keep close watch.

Thailand, however, is ready to give permission to Phaisan Insurance Company to open branches in the country in exchange for its removal from the U.S. trade watch list.

The commerce minister has the authority to give permission to Phaisan Insurance Company to open branches in Thailand without consulting the Judicial Council if he deems his decision benefits the country.

The Commerce Ministry, however, has forwarded the issue to the Judicial Council for fear of making a mistake in interpreting the law, not because it wants to delay the issue as accused by the U.S. side.

Chaloemphon said after the insurance market is opened for Phaisan Insurance Company, it is hoped that the United States will not make such a request for other U.S. insurance companies because the treaty provisions only deal with specific cases. The interpretation of the treaty in this case does not set the criteria for general practice.

Deputy Prime Minister Suphachai Phanitchaphak, in his capacity as chairman of the International Economic Committee, is expected to call a meeting of the committee in February to appoint a working team comprised of officials from the agencies concerned namely the Finance, Commerce, Industry, and Foreign Ministries to review the treaty and decide whether it should be amended or abrogated.

Dispute With Laos Over New Embassy Detailed

BK0102022594 Bangkok BANGKOK POST (INSIDE INDOCHINA supplement) in English 1 Feb 94 p 1

[Text] As Thailand and Laos prepare for closer bilateral relations with the opening of the Thai-Lao Bridge scheduled for April 8, the two countries remain locked in a diplomatic dispute over the purchase of land near Vientiane for a new Thai embassy.

Diplomatic sources say the Thai Foreign Ministry in Bangkok and embassy in Vientiane have been applying gentle pressure on Lao authorities to proceed with the land sale.

It was agreed upon by both sides previously but the Laotian Government has declined to finalise the deal, citing recent legislative change forbidding land sales to foreign diplomatic missions.

The dispute dates back to the period of former Thai foreign minister Asa Sarasin who signed an Exchange of Notes with Lao ambassador to Thailand, Bounkeut Sangsomsak, in 1992 for Bangkok to purchase for 18 million baht about seven rai on the main highway from Vientiane to the border checkpoint at Tha Deua.

It is planned to accommodate both a Thai diplomatic mission and the embassy. The embassy in downtown Vientiane which now houses both the chancery and the ambassador's residence would house the latter only.

The Thai plans were blocked after Vientiane late last year amended laws on land transactions.

Deputy Thai Foreign Minister Surin Phitsuwan raised the issue with Lao Foreign Minister Somsavat Lengsavat during a visit to Vientiane last December.

Sources say there was no conclusive outcome as the Lao side stood firm on its legal amendments.

The deadlock is causing budgetary problems to the Thai side.

According to the sources, about 30 million baht was allocated for the land deal and other related expenditure in the fiscal 1993 budget, which lapsed last September. The Chuan Likphai Government subsequently extended the disbursement deadline of this item to March 1994.

Since budgetary matters are normally subject to parliamentary approval, there is concern that it will be difficult to get another extension if the March deadline passes without the deal being consummated.

So the Thais are stepping up their campaign to persuade the Laotians to honour the 1992 Exchange of Notes.

"As far as we are concerned, this is a fairly straightforward matter which the Lao side has to honour," a senior Thai diplomat told INSIDE INDOCHINA.

"The Exchange of Notes is a legally binding commitment. If (an international commitment of this nature) is over-ruled by subsequent Lao legislative changes, who would be confident enough to invest in Laos?"

The Thais, pressing for the land deal, are hopeful of a positive conclusion before the March deadline.

Prasong Visit to Chile, Argentina Reported

BK0102083294 Bangkok Radio Thailand Network in Thai 0530 GMT 1 Feb 94

[Text] The Foreign Ministry's Information Department has reported on Foreign Minister Squadron Leader Prasong Sunsiri's visit to the Republic of Chile between 25 and 27 January. The foreign minister stressed Thailand's policy of friendship with all countries, especially its relations with other countries in ASEAN and APEC [Asia-Pacific Economic Cooperation]. Chile will become an APEC member in 1994. Thailand wants to see Chile become an economic and trade center in Latin America or serve as a commercial gateway for ASEAN as well as Indochinese countries.

The foreign minister visited Argentina between 27 and 30 January. He met with the Argentine foreign minister during the visit. The two sides discussed ways of further strengthening bilateral relations and cooperation as well as economic and investment cooperation. The two sides set a target for bilateral trade at U.S. $200 million annually. In addition, the two sides discussed ways of strengthening bilateral contacts and exchanges of officials in the cultural, linguistic, political, diplomatic, trade, and technological fields; they also discussed cooperation among members of the private sector.

Meanwhile, the foreign minister and his delegation is visiting New Orleans in the United States. He will proceed to Los Angeles on 2 February.

Water Management Agreement With Australia

BK0102022194 Bangkok BANGKOK POST in English 1 Feb 94 p 3

[Text] Thailand and Australia yesterday signed a memorandum of understanding [MoU] to exchange information and experience on water resources management for Thailand to adapt for the future use of the Mekong River, according to the Science and Technology Ministry's Department of National Energy Administration.

"Australia will share experiences with Thailand of their dam constructions and management of main rivers in the four states—Queensland, NSW [New South Wales], Victoria and South Australia," said the press statement.

The MoU, inked by department director-general Prathet Sutabut and New South Wales Water Resources Department director-general Peter Millington, would cover long-term bilateral cooperation in terms of economics, engineering, science and environmental control and development.

Australia will also share information on soil condition development of NSW state, which used to have a problem with salty soil, for prevention and resolution of salty soil problems that may arise in Thailand's Kong-Chi-Mun project.

Vietnam

Officials Assess U.S. Embargo Impact, Trade

BK0102021194 Bangkok THE NATION in English 1 Feb 94 p B2

[Text] Former chief of Bangkok's World Bank Regional Mission said if US President Bill Clinton ends the embargo against Vietnam now, it will be tantamount to a "total anti-climax in Vietnam and on the international scene."

Speaking at a seminar in Bangkok entitled "Doing Real Business in Vietnam," Philippe Annez, managing director of Griffon Ltd and former chief of Bangkok's World Bank Regional Mission, said: "Americans believed they could strangle Vietnam by refusing to lift the embargo. Now they realize they can't. It (the lifting) is not important anymore. Well, maybe two years ago was a better time than now."

Jointly held by the Human Resources Institute of Thammasat University and Vietnam State Planning Committee (SPC), the seminar was to give a preview of Vietnam to 20 businessmen who are to visit Vietnam from Feb 23-March 2, 1994.

According to Annez, it is too late for Americans even with the embargo lifted to establish a strong foothold in Vietnam, with which investors from Japan, Europe and other Asian NICs [newly industrialised countries] developed ties years ago.

Annez's view was, to a certain degree, orchestrated by Dr Luu Bich Ho, a senior-ranking Vietnamese official.

Dr Ho, chairman of Vietnam's Institute for Long-Term and Regional Planning, State Planning Committee told THE NATION he welcomed last week's US Senate vote which sent a signal to Clinton to lift the decades-old embargo against Hanoi, against Hanoi, and said that there is no reason for the US to maintain such an embargo.

"It is a good sign...the US Senate voting for lifting the embargo," Ho said. Ho was in Bangkok to give a presentation at the seminar.

According to Ho, Washington had no other motives to maintain the embargo against Vietnam because Hanoi had resolved two issues: US soldiers missing in action in Vietnam, and the issue ot Cambodia.

"The US now understands the determination of Vietnam to resolve the POW-MIA issue. This has led to the embargo-lifting vote," Ho said. "The US also recognized Vietnam's best effort to support the peace process in Cambodia," he said.

"Last week's Senate vote was a result of a series of meetings between top leaders of Vietnam and senators from the US," added Ho.

After over two decades of the embargo, Clinton, since taking office in 1993, has eased the embargo two times but refused to lift it.

US investors have long asked that the embargo be lifted, saying that it prevented them, unlike Taiwanese and Japanese investors, from enjoying the business opportunities in the thriving market economy of Vietnam.

Ho, who oversees the strategic planning institute for Vietnam's SPC, said that now it is up to the US president to officially announce the time to normalize relations.

Asked how soon he thought the announcement would come, Ho said that Clinton had to resolve the conflicts between different US interest groups who are for and against lifting the embargo.

Agreement Signed With Japan on Loan Amount

BK2801145594 Hanoi VNA in English 1442 GMT 28 Jan 94

[Text] Hanoi VNA Jan 28—A diplomatic note on Japanese Government's soft loan of 52.3 billion yen (roughly U.S.$476 million) in 1993 fiscal year to Vietnam was signed here today by Deputy Foreign Minister Vu Khoan and Japanese Ambassador Hiroyuki Yushita. Loan agreement to this effect was also signed by Finance Minister Ho Te and Vice President of the Overseas Economic Cooperation Fund of Japan Hiroshi Kikumoto.

This is the first soft loan of Japanese Government to Vietnam to help the later build a number of infrastructure constructions.

The two diplomats also signed diplomatic note on Japanese Government's grand aid to water project in Hanoi suburban district of Gia Lam (second stage) valued at 65 million yen (about U.S.$590,000), and To Can Tho Agriculture University 788 million yen (some U.S.$7.2 million).

Present at the signing ceremony were Deputy Prime Minister Phan Van Khai and other Vietnamese high-ranking officials.

Speaking at the ceremony the signatories stressed on the significance of these events and expressed their wishes for further development of the relations between Vietnam and Japan.

On the same day, Deputy Foreign Minister Vu Khoan met Japanese Ambassador H.Yushita. The two sides informed each other of the [words indistinct] country and exchanged views on international and regional issues, especially the situation in Asia and the Pacific. The two sides discussed steps to further promote the friendly and cooperative relations between the two countries.

Vo Van Kiet Receives Algerian Ambassador

BK0102144294 Hanoi VNA in English 1425 GMT 1 Feb 94

[Text] Hanoi VNA Feb. 1—Prime Minister Vo Van Kiet received here today Algerian ambassador to Vietnam Mr. Maamar Ahmed who paid him a courtesy visit. Ambassador M. Ahmed expressed his pleasure at the expansion of the relationship and cooperation between Vietnam and Algeria in the fields of healthcare, education and university. He held that in current international situation Algeria and Vietnam should further develop such relations in the interest of each country, and for peace, friendship and development in the world. He wished that Vice President Nguyen Thi Binh's coming visit to Algeria would be successful, thus ushering in a new phase of the friendship and cooperation between the two countries. For his part, Prime Minister Vo Van Kiet expressed his thanks to the state and people of Algeria for their assistance to the Vietnamese people. He affirmed that Vietnam always ataches importance to the consolidation and development of fraternal friendship and cooperation between the two countries.

Austrian Foreign Affairs Official Ends Visit

BK2701144394 Hanoi VNA in English 1426 GMT 27 Jan 94

[Text] Hanoi VNA Jan. 27—A delegation of the Austrian Ministry of Foreign Affairs led by its General Secretary Dr. Wolfgang Schallenberg left Hanoi today, concluding its threeday visit to Vietnam.

While here the delegation paid a tribute to President Ho Chi Minh at his mausoleum. It was received by Deputy Prime Minister Tran Duc Luong and Foreign Minister Nguyen Manh Cam.

The Austrian delegation also held talks with a delegation of the Vietnamese Foreign Ministry headed by Deputy Foreign Minister Nguyen Dy Nien. The two sides noted with satisfaction at positive steps in the development of the relations between the two countries in the recent time and agreed that the friendship and cooperation between the two countries should be push up to commensurate with the potentials and desire of the two sides [sentence as received]. He also affirmed Austria's wish for further development of bilateral relations in the new situation of each country and each region.

For its part, the Vietnamese side welcomed the intention of the Austrian Government and businessmen and industrialists to promote their relations of economic, scientific and technological cooperation with Vietnam. The Vietnamese Government has created favourable conditions for the development of bilateral relations in the interests of the two peoples, and for peace and cooperation in the region and the world.

The two sides exchanged views on international issues of common concern.

Phan Van Khai Receives UNDP Director General

BK2701143194 Hanoi VNA in English 1426 GMT 27 Jan 94

[Text] Hanoi VNA Jan. 27—Deputy Prime Minister Phan Van Khai received here today Mr. James Gustav Speth, director general of the United Nations Development Programme (UNDP), now on a working visit to Vietnam.

Mr. Le Mai, vice foreign minister and Mr. Roy D. Morey resident representative of the UNDP office in Hanoi were also present at the reception.

During the reception, Director General J. Gustav Speth highly appreciated the relations between Vietnam and UNDP in recent years. He expressed the UNDP's good will to continue promoting bilateral relations. Mr. Speth told Mr. Khai the UNDP's programme of actions in the coming time and affirmed that in the immediate time the UNDP would continue giving its technological assistance in the fields of economy, law, administrative organization and in the development of resources. He also hailed Vietnam's effective use of foreign aid and assured that the UNDP would continue to play an important role in mobilizing aid for Vietnam's reconstruction.

For his part, Mr. Khai welcomed the UNDP director general's first visit to Vietnam as a significant event in the relations between Vietnam and the UNDP. He highly valued the UNDP's assistance to the Vietnamese people in the past and expressed his wish for the further promotion of bilateral relations. He affirmed Vietnam has always respected and highly appreciated the UNDP's technological aid even as the official development aid (ODA) would increase.

Training Pact With Czech Republic, Slovakia

BK0102143894 Hanoi VNA in English 1422 GMT 1 Feb 94

[Text] Hanoi VNA February 1—A delegation of the Ministry of Education and Training led by its Deputy Minister Tran Chi Dao has recently visited Czech and Slovakia. On Jan. 26, the Vietnamese deputy minister and Mr. J. Vodika, minister of Labour and Social Affairs of Czech signed an agreement on training jobs for Vietnamese and protocol on the implementation of the above-said agreement for 1994. Another agreement was signed by Mr. Dao and Mrs. O. Kentosava, minister of labour and social affairs of Slovakia, for the same purpose. Under these agreements, some 250 Vietnamese will attend classes at schools for job training in Czech and Slovakia this year.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.